

THE M&G GROUP

The week in London and New York

Wage claims hit market

ONLOOKER

THE GROWING list of pending wage claims in the public sector which fall outside the Government's guidelines weighed heavily on the market this week and equities recorded widespread falls. The Financial Times Industrial Ordinary Index dropped nearly 19 points to its lowest level since November 24.

The account kicked off on a very depressed note. The possible threat to petrol supplies coming on top of the concern over pay claims left the index 71 points lower. Sentiment was further knocked following the rather bearish CBI survey on industry and with the railmen and gasworkers putting forward hefty pay claims there was little chance of any recovery.

By the end of the week gilts were buckling amid all the uncertainty and a fall in sterling. Equities naturally followed suit.

Securities Council

The City now seems to have inched its way near to the final stages in its preparations for the long-expected new supervisory body.

Within the next few days a document sketching the proposal for a wide-ranging, high-level Council for the Securities Industry will go out from Mr. Gordon Richardson, Governor of the Bank of England, to the various City associations. Given a fair wind, the project should be launched next month, a fortunate coincidence of timing since that is the stage by which Sir Harold Wilson's committee on financial institutions will be turning its attention to regulation of the securities markets.

It is clear that by then the City wants to have demonstrated its determination to keep its house in order over the area not covered by law before Wilson considers other evidence, some of which may call for curbs on market deals, similar to those imposed by the U.S. Securities and Exchange Commission.

The new Council seems likely to include some outside lay members, to avoid its looking like an exclusive self-protective City body, and to have both a rule-making arm with a wider ambit than bid affairs, and a disciplinary arm in the shape of a developed version of the Take-over Panel.

Matters of financing remain to be finally sorted out, as does the question of the Council's chairmanship. A very possible choice is Lord Shawcross, who has made the Panel's writ run effectively for nine years. But Lord Shawcross celebrates his 76th birthday to-day and would

probably serve only a year or two if chosen in preference to a younger alternative, who might be a leading Judge.

Harcros triumph

Harcros and Crossfield seems to be winning the war to defend its empire against the Rothschild raiders.

This week H and C has declared unconditional bids for Malaysian Plantations and Harcourt Investment Trust. The battle for Malaysia was won at a high cost since the price of 30p per share was well above market expectations and McLeod Russell, which stirred up the bid, came away with a £1.3m. profit.

But the Harcros triumph was more emphatic. A Rothschild consortium tried to thwart H and C's offer by standing in the market offering 90p for Harcros shares. But H and C, advised by Barings, kept its nerve and did not raise the share offer which towards the end was worth only 81p (the cash alternative was 82p).

H and C was greatly helped by the unwavering loyalty of colonels and retired planters in Bournemouth, who apparently constitute a significant number of the shareholders. It thus obtained in other key H and C companies the important stakes held by Harcros at little above the stockmarket value.

The only remaining battle being waged is the Rothschild consortium £17m. bid for London Sumatra—another company in the H and C empire. But the active markets in options in yet other H and C satellites reflects speculation that further bids are on the way.

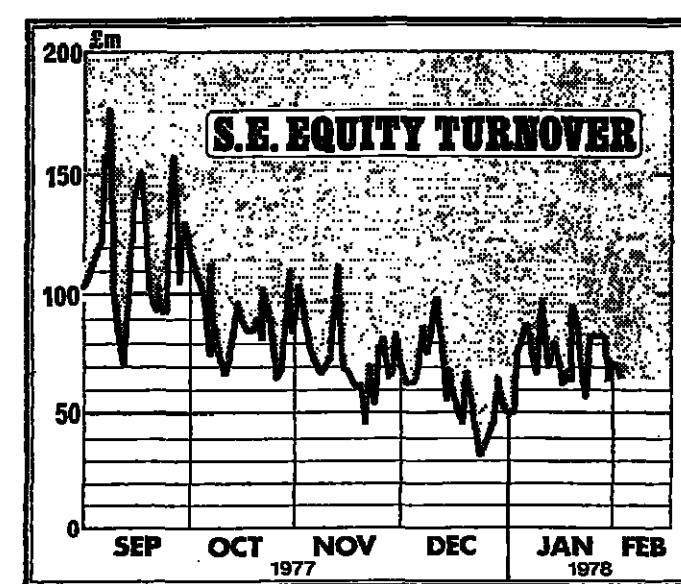
BAT's views

Full-year profits from BAT Industries, showing an 11 per cent. rise to £416m. pre-tax, may have been a shade below market expectations but the shares held steady over the week. However, the group's

profitability seems far too pessimistic.

Continental blues

Last week Murray Johnstone, which runs one of Scotland's biggest stables of investment trusts, gave tangible form to its conviction that the day of the specialist investment trust is over. For directors of one of Murray Johnstone's trusts—Scottish and Continental—announced to the world that they were seeking some way of bringing the share price more into line with the value of the underlying assets; and that if they failed to find it, they would ask for liquidation.



comments about its food retailing subsidiary—International Stores—fuelled the weakness in retailing share prices.

Mr. Laurence Hill, chairman of International, predicted that the price war could cost £20m. off the profits of the 20 largest supermarkets this year. On his figures, that would drop the profits of these 20 companies from £170m. to £80m.

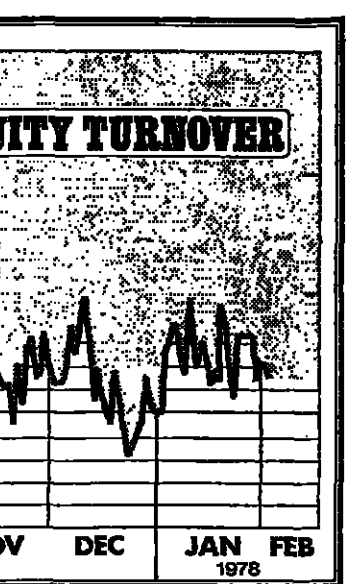
But analysts are highly sceptical about Mr. Hill's forecasts. True, the price war is hurting margins, but the likes of Asda, Tesco and Sainsbury are expected at least to maintain profits, and these three alone could make over £80m. That would leave precious little for the other 17 in Mr. Hill's hypothesis.

International itself may well be having a tough time of it. Taking on extra Green Shield Stamp franchises at a time when it is trying to compete on price must hit margins. Tesco's Mr. Ian MacLaurin this week agreed that there might be some casualties in the price war, but claimed that Tesco anyway was making higher profits.

The International view seems far too pessimistic.

Hidden figures

Plessey this week gave an indication of how companies with a large slice of business overseas can come to terms with a strong pound. The statement accompanying its third quarter results this week pointed out that profits of £32.2m. for the nine-month period to December 31 were 15 per cent. ahead on the comparable period. Currency adjustments were listed as a separate item "for ease of comparison" in the figures. But the currency adjustment—a minus figure of £816,000 for the three months to December, and £809,000 for the nine months—is significant and should be taken into account. So pre-tax profits for the nine months come out at £31.4m.—a fifth of the stated improvement now lopped off. The professional analysts can cope with the presentation but can the lay investor?



The news is a cause for rejoicing to anyone invested in Scottish and Continental, and the behaviour of the share price reflected the fact. For at a time when, under the influence of (in particular) takeovers and hopes of takeovers, the average discount within the investment trust sector has shrunk from almost 40 to around 25 per cent., that on Scottish and Continental shares has hovered obstinately around the former figure.

The reason, according to director Mr. J. R. Johnstone, is that Continental shares are out of favour: because the trust is so specialised (85 per cent. invested in continental Europe), that accentuates the normal discount. Directors of the company, incidentally, consider the prejudice ill-founded, and are hoping for unification so that the trust can continue in business for shareholders who agree.

U.K. INDICES

Average Feb. Jan. Jan. week to 3 27 20

FINANCIAL TIMES

Govt. Secs. 75.61 76.60 77.16
Fixed Interest 74.14 80.59 80.80
Index Ord. 465.2 481.3 479.8
Gold Mines 152.8 156.4 145.1
Dealing mkt. 4,928 5,787 5,610

FT ACTUARIES

Capital Gds. 203.12 210.95 208.85
Consumer (Durable) 184.04 192.37 191.33
Cons. (Non-Durable) 191.84 199.19 198.30
Ind. Group 199.06 206.48 205.03
500-Share 219.18 226.98 226.02
Financial Gd. 162.94 173.36 173.32
All-Share 203.09 211.08 210.45
Ret. Debs. 62.63 63.24 63.63

GRAMPIAN

9.00 a.m. Scene on Saturday including Birthdays and Sherry. 9.30 a.m. Top Tales. 10.00 a.m. The Woody Woodpecker Show. 10.30 a.m. The Secret Lives of Walter City. 11.00 a.m. Secret Lives of Walter City. 11.30 a.m. Secret Lives of Walter City. 12.00 a.m. Secret Lives of Walter City. 12.30 a.m. Secret Lives of Walter City. 1.00 a.m. Secret Lives of Walter City. 1.30 a.m. Secret Lives of Walter City. 2.00 a.m. Secret Lives of Walter City. 2.30 a.m. Secret Lives of Walter City. 3.00 a.m. Secret Lives of Walter City. 3.30 a.m. Secret Lives of Walter City. 4.00 a.m. Secret Lives of Walter City. 4.30 a.m. Secret Lives of Walter City. 5.00 a.m. Secret Lives of Walter City. 5.30 a.m. Secret Lives of Walter City. 6.00 a.m. Secret Lives of Walter City. 6.30 a.m. Secret Lives of Walter City. 7.00 a.m. Secret Lives of Walter City. 7.30 a.m. Secret Lives of Walter City. 8.00 a.m. Secret Lives of Walter City. 8.30 a.m. Secret Lives of Walter City. 9.00 a.m. Secret Lives of Walter City. 9.30 a.m. 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Our savings and investments

Sharing profits

BY ADRIENNE GLEESON

HERE WAS jubilation in the shares to be acquired.) Any such concessions are inevitably going to altar conditions for existing shareholders. Where new shares are to be issued for employees, it will dilute their interests, where tax concessions are available it will, however, indirectly distort the market. If the result of such an extension of ownership is, however, greater productivity and profitability, then existing shareholders are quite as likely as the company's new owners to come well out of the deal.

But that, of course, assumes that employees want to benefit from such schemes. Even in the best of companies there are reasons why they might not. Now the proper reaction to that is going to vary with individual circumstances. But there are some general guidelines.

If you really need the extra cash, then that is an overriding consideration. But you should bear in mind that there is no guarantee that the mortgage rate will stay down; and if you are that desperate then the probability is that you are over-gearing anyway.

Those who have a real choice are likely to be torn between a strong desire to get rid of the mortgage as soon as possible, and a suspicion that the extra to be paid if they maintain their mortgage payments at the present level could be put to more profitable use elsewhere.

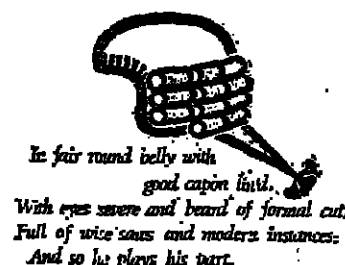
The first thing to be said is that that extra will not qualify for tax relief. It goes to pay off capital, not income, and therefore is not eligible. However, it might not have qualified for much tax relief anyway—not if the mortgage had been running for some years, and the capital element is an appreciable part of each instalment. In any case, there are none too many alternative investments which would qualify for tax relief.

But if those are arguments for continuing to pay instalments at the present rate, and running down the capital debt, there are also arguments for doing the contrary. In particular, anyone buying on a mortgage should bear in mind that he is borrowing over the long term at what is still a negative real cost.

Maintaining the present level of mortgage payments could be a convenient form of saving for anyone planning to move again and likely to need a higher deposit when they do so. But if you reckon that you will be staying in the house you now occupy for the foreseeable future, or that, if you move, it will be to somewhere smaller and less expensive, then you would probably do much better to cut your payments and let your mortgage

This is the fifth part in our series, *The Seven Financial Ages of Man*. The series is written by Adrienne Gleeson, Eric Short and Helen Whitford.

And then the justice...



In fair mind tell with good capon laid. With eyes more and hand of formal cut. Full of wise ones and modern instances. And so he plays his part.

run its course, courtesy of the negative real return on other people's savings.

AT THIS STAGE of the proceedings you may, yourself, be reaping some of the benefits of savings of your own—if, for example, life policies taken out on matrimony are now about to mature. However, badly depleted by the ravages of inflation, the capital sum accruing is likely to come very welcome.

You ought, however, to look at it, not only in the context of years past, but also that of years to come.

In all probability you will be retiring on a pension equal to two thirds of your final salary, with an option to commute part of that into a lump sum. Now make this a long-term form of investment. Anyone with a moment, but the probability is that with your commitments out by putting it into a single pre of the way you will be able to mould bond; but for those who give quite comfortably on that would rather do it themselves two thirds—but not quite com-

So if you do want a lump sum on retirement—whether it's for a world cruise (that takes capital, these days), a cottage in the South of France, or simply as a potential supplement to your pension in future years—you had better start planning for it now. Assuming that you have accumulated no capital as yet, the best way of doing it is by way of life assurance.

FOR REAL ENTERTAINMENT, however, you have to be prepared to make decisions of your own—not really a feasible proposition with a life assurance contract, because front-loading and the possibility of a claw-back of your tax relief of that into a lump sum. Now make this a long-term form of investment. Anyone with a moment, but the probability is that with your commitments out by putting it into a single pre of the way you will be able to mould bond; but for those who give quite comfortably on that would rather do it themselves two thirds—but not quite com-

table below) a possible portfolio.

We have worked on the assumption that, at this stage of the proceedings, it's capital growth that you are interested in, rather than income—income would only be taxed at your marginal rate plus, quite possibly, the investment income surcharge. The portfolio assumes investment in unit trusts, so that a three-way spread should probably be adequate.

We've chosen some of the UK trusts which specialise in blue chips, on the grounds that the second-liners have had their run and that the blue chips are now looking cheap; we have chosen some of the American funds on the argument that, while things may get worse before they get better, this is a good place to be for the long term; and we have chosen some commodity funds on the grounds that this is the next of the speciality sectors to see a substantial rise. They want watching, though: you can't put money into such a specialised area and simply forget it.

ALTHOUGH IN theory it is possible for anyone to write their own will, and forms can be bought for the purpose, it is not such an easy job as it sounds. Any ambiguities might be subject to judicial interpretation other than that intended. And there are pitfalls to be avoided. You should, for instance, remember that any marriage invalidates all previous wills by the parties to it.

Planning for CTT is a complex business into which we shall go more fully next week. But — as a matter of urgency — don't, don't make gifts left, right and centre, with no provision for tax, in the belief that the residue will be quite ample for your surviving spouse. For that residue will bear tax for the estate, and if rates are high it could be wiped out. It is best to give your spouse a specific gift.

FINALLY, SINCE property and litigation so hand in hand, you might be interested in a new insurance scheme to cover legal expenses — a boon for those in the middle income bracket, who cannot afford to pay themselves, but do not qualify for legal aid.

The cover is provided by DAS Insurance and through Lloyd's by Storer and Com pany. Having taken out a policy (at £12.50 per family), you can take your neighbour to Court on any pretext, or defy him to do the same to you. The insurers do have a right to scrutinise your case, and decide whether it has a reasonable chance of succeeding before they fund your costs.

PORTFOLIO FOR A UNIT TRUST INVESTOR	
For U.K. general/blue chip coverage	
M & G General at 164p or National Westminster Portfolio Inv. at 70p	
For American coverage	
M & G American & General at 41p or Framlington Int. Growth Fund at 98p	
For commodity shares	
Arbuthnot Commodity at 55p or Britannia Commodity Shares Trust at 73p	

A mortgage scheme

ONE ADVANTAGE of repaying your mortgage by means of an endowment assurance is that you do not have to undergo the rigours of decision described in our main article to-day. When mortgage rates fall, the repayment term still stays the same and you simply pay less interest each month.

There are, however, more relevant advantages in using this method, especially if you are in a position to combine repayment with general savings. But all these advantages are often offset by the inflexibility of the method when it comes to effecting a new or an additional mortgage. So the method tends to go get put aside in favour of straight repayment in many instances.

Recently, however, life companies have been considering certain means whereby the method can be adapted to provide more flexibility and therefore make it more attractive. After all, the more attractive a mortgage repayment is, the more likely it is to be used. This week we look at the latest endeavour in this respect launched by Scottish Equitable.

The scheme, like most assurance-linked plans, simply consists of putting together two basic contracts. In this case SE has put a new flexible endowment policy (issued last year) together with a decreasing temporary assurance, and added to this mixture options to take out further contracts without evidence of health.

The flexible, with profits

endowment contract meets two necessary conditions for a modern repayment contract. It enables investors to extend their mortgage repayment periods: when a new mortgage is effected often the repayment date is pushed further into the future. And it also provides an opportunity to repay the mortgage early without taking out a new one—say, if Uncle Albert should have left you his Georgian mansion.

The addition of decreasing temporary assurance provides the necessary cover should you have an argument with a London transport bus the moment you have bought the house, while the options to take out further plans are intended for use when you move from the city terrace house to the suburban detached with a large garden.

These features, put together make the scheme suitable even for the first time home buyer who has every intention of moving in two or three years. It has flexibility and is on a low cost basis to which elements can be added at a later date when additional savings are required. The only disadvantage, which no plan yet devised has been able to overcome, is that it is still more expensive than repayment during the first few years of the contract. The life companies are going to have to start thinking about contracts under which the initial premium is low and increases steadily over the term. But such an approach will need a change in attitude from the Inland Revenue.

Life on airwaves

THE LAST DECADE has seen a radical change in the general attitudes of traditional life companies towards advertising. When once they regarded it with loathing, now they are extensively participating. No doubt the massive use of advertising by the unibank companies has had much to do with this metamorphosis. There are precedents for a life company running a promotional campaign on TV, and now the possibilities of radio advertising are being explored by London Life, the second oldest mutual company in the world.

London Life is to take minute spots on London Broadcasting Corporation's "AM" news review programme between 7 and 9.30 in the morning, life assurance with your breakfast cereal. The initial campaign will last one month.

London Life suffered a set back in new business production when the universities decided to run their own pension scheme instead of putting their business through a panel of life companies. So the company had to seek fresh sources of business. Like Equitable Life, whose problems were considered here

Eric Short

Don't delay, consult London Life right away...

...a few weeks ago, it does not pay commission, but unlike that company it is not adopting a particularly aggressive selling approach—its new business expansion last year was average.

However, it does intend to sell itself to the public and the radio campaign will list its products, emphasising in the process that all the benefits go to policyholders—there are no shareholders and no commission is paid.

Since September 1976, the Dow Jones Industrial Index has been in a downward, and over the same period gold has shown a steady rise. The correlation

Patterns in gold

THE ACCEPTED wisdom on gold is that its recent strength has been a reflection of the dollar's weakness. But Richard Lake, the resident charter at Grieverson Grant, says after examining the dollar's movement against all the leading currencies and comparing their performance against that of gold, that "there is no regular counter move against the American currency." However, there is "very definitely" one against Wall Street.

Since September 1976, the Dow Jones Industrial Index has been in a downward, and over the same period gold has shown a steady rise. The correlation

ERIC SHORT

JAMES BARTHOLOMEW

Specifically devised for the larger private investor...

PIMS investment planning

Schlesingers Personal Investment Management Service

"PIMS" is an advanced concept in investment planning. It offers private investors of £2,500 and over the combined merits of a specialist range of unit trust investments together with a level of personal service and involvement usually associated only with large private portfolios.

Working closely with clients' professional advisers, Schlesingers offer PIMS investors regular portfolio valuations and reports on the trusts in which they are invested covering portfolio strategy, changes and performance, as well as invitations to meetings with the investment managers.

Our Client Liaison Department and our Professional Services Team offer the experience and capability to advise on...

Investment Planning. Our investment managers are constantly reviewing and updating the Schlesinger Recommended Portfolio to advise on the appropriate investment levels in U.K., U.S.A., fixed interest and other sectors.

Tax Planning. Specialist trusts enable us to help investors maximise returns from their investments utilising schemes such as the "Nil Yield" fund to provide a tax efficient net return to higher rate taxpayers.

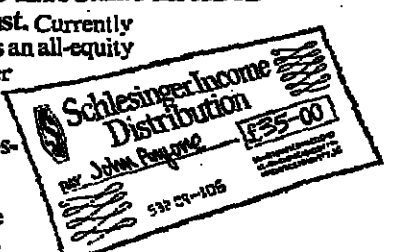
Income Planning. Our range of income funds is designed to provide investment opportunities in high yielding equities, preference shares and gilts using carefully selected payment dates for eight or more evenly spaced distributions yearly.

A range of 14 Trusts

PIMS utilises a range of efficiently managed specialist trusts, each designed to exploit fully opportunities in specifically defined market sectors. There are:

Three Income Trusts

Extra Income Trust. Currently yielding 9.7%, this is an all-equity fund well spread over 110 high yielding stocks offering excellent growth prospects. Over £7m has been invested in this successful trust since launch in May 1977.



Income Fund. Currently yielding 9.17%, this fund aims to offer a high and growing income with defensive characteristics, through a managed portfolio of U.K. equities, income shares of dual capital investment trusts, preference shares and convertibles.

Preference and Gift Trust. Currently yielding 11.5%, this trust benefits from the very high yields currently available from preference shares and gilts, and may invest totally in gilts if and when legislation changes to allow this to be tax-efficient.

Three Growth & Income trusts

Investment Trust Units. An actively managed fund offering our specialist investment management capability in the selection of shares of investment trusts, aimed at growth of capital and income.

Market Leaders Fund. This trust remains fully invested, substantially in the components of the FT All-share Index. It is suitable for those who wish to "take a view" of the market as a whole, or who require a tax-efficient "core" to their U.K. portfolio.

U.K. Growth Fund. A broadly spread and actively managed portfolio of U.K. equities aiming at capital growth; for the investor who wishes to leave all management decisions to the Investment Managers.

Two Overseas Trusts

American Growth Fund. Invested in leading U.S. companies, this fund aims to capitalise efficiently and rapidly on growth in U.S. share values.

International Growth Fund. A well-diversified fund aiming primarily at capital growth through selective investment in major world economies which currently include the U.S.A., U.K., Japan and Australia.

Three Specialist and Tax Planning Funds

"Nil Yield" Fund. Aims to improve net returns for Higher Rate Taxpayers and provide more reliable capital growth with less risk, through a conservatively structured portfolio of fixed-interest, overseas and U.K. growth stocks.

Property Shares Trust. Aims at capital growth through investment in property companies and property-related asset situations. Backed by Schlesingers substantial experience in property investment and management.

Special Situations Trust. Investing in a portfolio of second line or undervalued stocks, this trust has an above-average degree of risk. It seeks to invest in those stocks with good prospects of recovery or re-rating.

Three Exempt Funds

Schlesingers also manage three trusts designed for pension funds and charities — American Exempt and Exempt Market Leaders, index type funds invested in leading U.S. and U.K. companies, and Exempt High Yield, invested in smaller and medium-sized companies and currently yielding 8.25%.

Selecting the right funds

To obtain a choice of investments suitable for you, PIMS investment planning offers three courses of action: **Through your professional adviser.** Ask your adviser to contact Schlesingers' Professional Services Team, who work in close conjunction with our investors' advisers to provide the optimum investment plan.

Schlesinger Client Liaison Department. If you wish to contact us direct, this department will be pleased to review your requirements in depth and advise you on PIMS investment in relation to your existing portfolio.

Investors of £20,000 and over can utilise Schlesingers "PIMS Advisory Service" providing the fullest possible planning service — once again in conjunction with your professional adviser whenever required.

Private Investors

To: Richard Bagge, Client Liaison Manager, Schlesinger Trust Managers Ltd., 140 South Street, Dorking, Surrey. Weekend and Evening Answerphone Tel. Dorking (0306) 86441. I would/would not like to be contacted to discuss investment planning.

Professional Advisers

To: Schlesinger Trust Managers Ltd., 19 Hanover Square, London W.1. I would like to be contacted by the Professional Services Manager responsible for my area. ☐

Please send me details of: ☐ Income Funds ☐ Growth and Income Funds ☐ Overseas Funds ☐ Specialist and Tax Planning Funds ☐ Exempt Funds ☐ Share Exchange ☐ PIMS Advisory Service ☐

Name _____ Company _____

Address _____ Tel. _____

FT 4/2

Schlesinger PIMS

Finance and the family

Settlement and school fees

BY OUR LEGAL STAFF

My wife's father created a settlement in 1967 in favour of our three children. After a few years, payments began to be made by the trustees directly to the schools at which they were pupils. Do these payments count as income for the children and do they affect the children's allowance which I am allowed in my own income tax? My company's tax department thought not.

It is not possible to be certain of the position on the basis of the bare facts given, but we wonder whether your company's tax staff took into account the dicta in *Mapp v Oram* (145TC872). It may be that you consulted them before publication of the full report of the judgment in the House of Lords, overturning the decision of the Court of Appeal—which itself reversed the decision of the High Court, affirming the decision of the Commissioners (against the Inland Revenue). In relation to payments made after April 5, 1973, section 17(1) of the Finance Act 1973 must be taken into account, but you do not say whether this section applied.

Briefly, therefore, our answer to your question is almost certainly yes.

Licensee as a tenant

I let my furnished house to a firm for the use of one of their directors. When he left the company, the lease terms came to an end but he asked me if he could stay on, pending a licence to occupy it for a period for a fee whereby I hoped to prevent the creation of a protected tenancy.

Before this document could be signed, he went on holiday and on his return refused to sign unless I substituted the words "let" for "licence" and "rent" for "fee". I have accepted the fee. Do you think a protected tenancy has been created? What do you advise me to do?

It is certainly arguable that you have created an oral tenancy, but you will need to counter that argument by saying that the occupiers were allowed to remain in occupation on terms which constituted a

licence only and the very fact that they are now seeking to vary the wording of the licence agreement shows that they did not intend that a licence only would be granted. You must now terminate the licence by reasonable notice—that is, not less than one month—and reclaim possession. You should refuse any payment offered in respect of any period beyond the date of expiry of your notice. You can then seek to recover possession in the County Court, bearing in mind the risk that you would fail if it be held that there is a true tenancy.

Landlord of a tenant

I own a vacant shop property and before letting it for three years to a prospective tenant, would like to create an interest in it for my son. He might be ready to start a business in it three years time and I would like to make him landlord for the purpose of the Landlord and Tenant Act 1954 so as to enable him to oppose a renewal of the lease, but without conveying the freehold. Have you any suggestions?

You might consider granting the lease for three years and then granting an overriding lease to your son, thus making him the landlord of the tenant. If the overriding lease is at least 15 months longer than the lease to the occupying tenant your son will be the competent landlord.

Preference dividends

I have some 51 per cent. Preference shares on which, prior to 1974, half-yearly gross dividend of 2 1/2 per cent was paid. Since 1974 the net dividend is the same every half year, no matter what the tax, so that the net plus tax does not necessarily equal 2 1/2 per cent. Can you tell me the reason for this?

The law was changed by paragraph 18(1) of schedule 23 to the Finance Act, 1972, with effect from April 6, 1973. From that day onwards, it was intended that Preference divi-

dends would be unchanged (in actual cash receivable by the shareholder) from year to year, regardless of changes in the rates of income-tax and tax credit. Instead of 51 per cent. less tax, therefore, you became entitled to 3.85 per cent. (with-out deduction of income-tax but with the benefit of an imputed tax credit). For 1973-74 you noticed no difference, because 3.85 per cent. plus 3/7ths tax credit equals 51 per cent. but the change became apparent when the rates of tax credit for subsequent years fluctuated between 33/67ths, 7/13ths and (currently) 17/33rds.

We said above that "it was intended..." because in fact, during the passage of the 1975 Finance (No. 2) Bill, the High Court held that the wording in the 1972 Act did not produce the result which had been intended by the Government in 1972. No amendment was inserted into the 1975 Bill, but the original 1972 intention was ultimately put into effect retrospectively by section 46 of the Finance Act, 1976.

Liability for gate damage

My car was in a school car park where it was on legitimate business and as a result of a gale blowing at the time, it was damaged by the branch of a tree which fell on it. The school bus driver disclaimed responsibility, saying that the school's insurance policy does not cover damage to cars parked in the school grounds. Have I a case against the school, because no sign appeared that vehicles were parked at their owners risk, or on the ground that the insurance policy should have included damage to cars?

The school will not be liable for the damage done by the falling branch unless there was some negligence on their part in allowing the branch to become dangerous. If the tree was dead, or the branch was obviously rotten, and the school failed to do anything about it, you may have a claim against them. Otherwise a court would probably find in favour of the school.

Dividing line between semis

Can you please confirm my belief that the down pipe running between two "semis" represents the dividing line? There is no such rule as you describe. The dividing line would normally be the centre of the party wall, but the boundary in front of the house is not necessarily a projection of that centre line. In the absence of other indications and if the conveyancing documents show a straight boundary between the two properties, a projection forwards of the centre wall dividing line is likely to be accepted by the Court as the true boundary. We should emphasise that each property has to be considered on its own particular facts in the light of its building and conveyancing history.

The absence of warning signs is irrelevant unless the school knew that there was something

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

wrong with the tree against which visitors should be warned. The school's failure to write the risk into the policy is also irrelevant, there being no duty in law for them to do so.

A car 'on the road'

A car salesman handed my wife a brochure of the (new) car she was inquiring about. He wrote on it "On the road, £4,300" and added his signature. When the detailed bill was made out the road fund licence of £50 was added. She has paid the bill under protest. What do you advise?

We think that your wife has a strong case for claiming the £50 road tax from the seller of the car. The issue turns on the construction of "on the road," and it cannot be predicted with certainty what a court might decide was meant by those words in the particular context. However it is difficult to see what was the purpose of the statement "on the road" if it did not mean ready to drive on the public highway—it must be assumed that a car salesman sells a new car as being fit to be driven—and the phrase "on the road" must go beyond describing the condition of the car. Your wife may wish to consider making a claim in the County Court under the "small claims" procedure.

Dividing line between semis

Can you please confirm my belief that the down pipe running between two "semis" represents the dividing line? There is no such rule as you describe. The dividing line would normally be the centre of the party wall, but the boundary in front of the house is not necessarily a projection of that centre line. In the absence of other indications and if the conveyancing documents show a straight boundary between the two properties, a projection forwards of the centre wall dividing line is likely to be accepted by the Court as the true boundary. We should emphasise that each property has to be considered on its own particular facts in the light of its building and conveyancing history.

The best reply, I suppose, might well be: "a watchdog designed by a committee of camels." All would doubtless be stumped for an answer, however, if asked for a parallel definition of the Schools Council set up in 1964 to supervise the development of curricula and examinations for schools in England and Wales.

In this questioning the council's attainments, I mean no disrespect to its 140 or so paid staff, especially those who have carried out careful research into the results of prevailing educational practices. These studies

Insurance

Age and health

BY JOHN PHILIP

AGE IS one of the factors insurers have to take into account in deciding whether to offer cover and if so, what premium to charge, what conditions and exclusions to apply. For example the age of the proposer is a factor very important to motor insurers—is he or she young, say under 21 or under 25, or old, over 70?

But probably age is of the greatest importance to the life assurance company, first in fixing its tables of rates for the various kinds of policies it sells, and secondly in assessing each individual proposal, when age has to be considered in relation to the proposer's physical condition and the amount of cover he wants to buy. With most insurers, the older the proposer, the lower their non-medical acceptance limits, perhaps also the lower the maximum sum assured they are prepared to arrange.

By the way, when insurers speak of non-medical acceptance limits they do not mean that they do not want information about the proposer's health. They will still have to answer questions about his age and health on the proposal form, but if insurers find those answers satisfactory then they do not have to submit to medical examination: on the other hand if the proposer discloses a history of heart or respiratory complaints, then he may well have to undergo medical examination, even though his proposed sum

assured is well within insurers' non-medical limit.

It is probably true to say that many people, as they get older, are reluctant to seek life assurance, perhaps because they fear that insurers will rate them up for their known health defects, perhaps because they are afraid that medical examination will discover some adverse and as yet unknown feature. What ever the reason, for anyone over age 50 but not age 72, and hesitant about stepping forward to buy, the advertisements recently placed in several national newspapers by Life Assurance Services might well have appeared attractive, since they declared "whatever your state of health you can take out a secure life assurance policy to-day—no medical—no health questions."

Such completely non-medical life assurance is not new, though this particular method of marketing is, at least in this country. What the advertisers do not say, but what should be made abundantly clear to any would-be purchaser, is that such cover must inevitably be expensive, because of insurers' inability to select which proposers they will insure.

These particular advertisements encourage the proposer to make a monthly payment of

£3.95, £7.45, or £10.95. The choice of the amount of monthly payment coupled with the proposer's age determines the amount of life cover the proposer actually gets. Takes £10.95 a month, £131.40 a year, which premium is in fact payable not for a limited period but throughout the proposer's life. The man who is 51 next birthday obtains £3,000 worth of life assurance and an extra £3,600 worth of cover for death by accident as distinct from death by natural causes.

But if he goes into the market he will find a number of offices ready to provide £3,000 worth of life assurance, against premiums payable throughout life, for between £70 and £75 a year, provided he is fit enough to pass insurers' medical inquiry. So at age 50 this scheme's loading for the elimination of medical evidence is over 80 per cent—far in excess of the premium loadings most offices will apply for all but the most serious of health defects.

Most people view the possible financial consequences of retirement with apprehension, particularly if they are not among the privileged few with indexed pensions; but even those fortunate most probably will not want to contemplate the

purchase of life assurance when premiums have to be paid continuously after retirement. The sensible thing to do if one wants whole of life assurance is to buy this with premium payable for only a limited period: preferably premium should not be payable after retirement, but it may be necessary to arrange for the premium paying period to extend to retirement to satisfy a statutory 10-year qualifying policy rules so as to get a benefit of income tax relief premiums. But here again a fit 50-year-old can go out in the market and get £3,000 worth of whole life cover with premium payments limited to 10 years, for less than £131.40 premium than Life Assurance Services want: the less fit 50-year-old will depend on his particular circumstances and the individual offices take it.

Term or temporary assurance is the cheapest way of buying life cover at any age; again because insurers pay only if the life assured dies within a period of insurance. Age looking at our fit 50-year-old a 20-year term assurance of £3,000 will cost less than £1 a year and moreover on its assurance the adverse health loading may be in percentage terms much less than for a similar whole of life insurance, particularly if the insured is young and healthy. The health defect will affect longevity only outside the proposer's chosen term.

Education

Death of dinosaur

ASKED to define a camel, few readers would hesitate before answering "a horse designed by a committee." All would doubtless be stumped for an answer, however, if asked for a parallel definition of the Schools Council set up in 1964 to supervise the development of curricula and examinations for schools in England and Wales.

The best reply, I suppose, might well be: "a watchdog designed by a committee of camels," although I suspect that it risks suggesting a considerably more efficient creature than the Schools Council has turned out to be.

In this questioning the council's attainments, I mean no disrespect to its 140 or so paid staff, especially those who have carried out careful research into the results of prevailing educational practices. These studies

have exposed some very threatening flaws. Schools council staff at least, for instance, know that the academic examination system operates so as to sift to the top youngsters predominantly from middle-class homes and with introverted personalities or, in rougher terms, potential identikit bureaucrats. Nevertheless, the staff might deserve some blame for their tendency to present such awful discoveries in statistical forms far beyond the numerate understanding of most teachers, let alone the lay public.

Nor do I mean to belittle the many people not on the paid staff who have slaved and contended in committees, doing the best to put some of the nonsense right. An example is those who have tried to work out ways of adjusting the General Certificate of Education system of examinations so that it no longer strongly encourages children to follow lines of study which lead them effectively to learn less and less about more and more. Nevertheless again, the committees might deserve some blame for often confining their membership to people who have spent all of their lives in education.

The main blockage has been the ridiculously unwieldy governing body which, before

exercising its power to recommend educational developments to the Secretary for Education and Science, has first to agree on what the developments should be.

This governing council at present has 77 designated members, and a detailed list of who precisely appoints them would fall into the rare category of things which are at the same time unpleasant and uninteresting. Suffice it to say, however, that its ability to recognise the changing needs of society can hardly be great when the lay representation in the governing body effectively amounts to one member each from the Confederation of British Industry, the Trades Union Congress, and the network of parent-teacher associations. By contrast, 96 seats are held by the various educational unions.

In the circumstances, what the governing body has been able to recommend has been determined, not by the needs of the customer, but by the need to engineer majority support among the plethora of vested interests represented. I doubt whether even a genius could deliberately design a better process for producing dogs' breakfasts.

So the same body's decision this week to give up its govern-

ing power and turn itself into mere 56-member consultative may well be the most positive thing it could ever have accomplished. But although the GL and the TUC will have two seats each in this smaller "talk shop," I doubt whether the Schools Council's new structure —to be approved finally in March—will do anything to make the council more sensitive to the needs of the outside world.

The power will effectively pass to a finance and priorities committee with 12 members appointed by schoolteacher unions, and two sets of eight appointed respectively by the local education authority associations, and by the Department of Education and Science. From hitherto, control of the bureaucracy.

Sir Alex Smith, the council's chairman, has defended the transfer of major control to a combination of local and central government officials on the grounds that they provide the money for education. But he doesn't. They merely distribute it. The money is earned by wealth-creating industry and collected from the taxpayers who in future will be deprived of even the token power they had before.

MICHAEL DIXON

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Chess

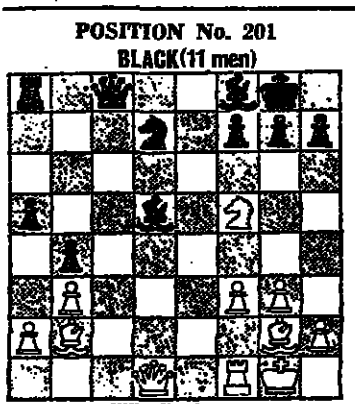
SINCE FISCHER abandoned chess, the annual award for the chess Oscar has gone each year to Karpov by overwhelming margins. The Oscar is decided by the votes of international chess journalists, members of the Association Internationale Presse Echiquienne, and this year is expected to involve over 100 writers from some 40 countries.

Only results in competitions finished between January 1 and December 1977 are allowable, and the emphasis is on major tournaments and matches. The counting for the Oscar takes place in Barcelona on Tuesday evening. The Oscar vote is the nearest chess gets to an annual world championship and its prestige is heightened by the fact that each year the trophy has gone to a single outstanding winner. The roll of honour reads 1967 Larsen, 1968-69 Spassky, 1970-72 Fischer, 1973-4 Karpov. Two questions dominate this year's vote. How will the journalists assess the comparative merit of Karpov's tournament triumphs at Bad Lauterberg, Las Palmas, Tilburg, Moscow and in the BBC Master Game against Korchnoi's match victories?

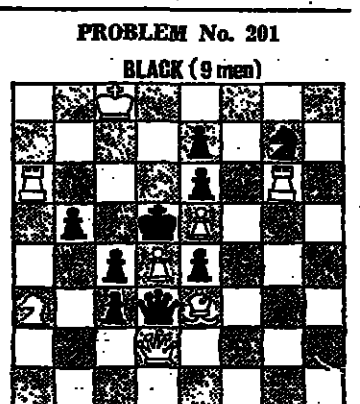
Though the decision is formally on the basis of past achievement, the voters may also be swayed by their views on the outcome of this summer's world title match. Karpov should win

the Oscar again, though with a narrower margin than previously. The other question is: who is third? Following Karpov and Korchnoi, no player stands out.

From the British viewpoint, the great interest in the Oscar is international expert evaluation of Tony Miles's results. If the Oscar was decided on tournaments from June, 1977, onwards, Miles might even be favourite to finish third, but his results from January to May were dismal. And will some voters be



WHITE (11 men)
Hasan (India) v. Chi Ching-Hsuan (China), Asian team championship, Auckland 1977. Chi Ching-Hsuan, the first player clearly of master strength from China, set a trap as Black (to move). When his opponent fell for it, Black secured an ultimately winning advantage. How did the game continue?



WHITE (8 men)
White mates in three moves at latest, against any defence (by F. Gledhill). Many declare this unsolvable on an earlier publication; for practical purposes there is only a single line of play, but to find it is a stiff test of chess imagination.

Solutions Page 2

Black: Anatoly Karpov (USSR) Opening: English (BBC Master Game 1977-8).

1 P-QB4, N-KB3; 2 N-QB3 P-K3; 3 P-K4, P-QB4; 4 P-Q4 N-N1; 5 N-B3, N-QB3; 6 P-Q4 P-Q7 7 P-Q7 N-P7, 8 N-N4, P-B3; 9 P-K3, P-Q4 (P-QN3); 10 P-B3, N-B3; 11 P-KB5, Miles-Fleisch Biel 1977, is good for White; 12 N-Q6 ch, BxN; 13 QxR, N-K2; 14 B-N6, N-B4; 15 BxQ, N-Q7; 16 B-B7, K-K2; 17 P-P3, N-K1; 18 B-N6, P-Q3; 19 P-P2 ch, N-P2; 20 Q-Q3, B-Q2 (by the time of the Tilburg tournament in September this game was known on the grandmaster circuit and Miles Hubner continued 18... N4-B5! 19 BxN, NxB; 20 B-B5 ch K-B2 when Black is out of trouble and still has his extra pawn); 21 P-B6, N-B2; 22 N-K3, Q-RB1; 23 K-N1, R-B3 (Karpov is caught in a prepared line, and is half an hour down on the clock in a 30 moves per hour game-but defends coolly); 24 B-K2, P-K4; 25 B-R3, B-B4; 26 B-Q3, R-Q1; 27 N-N4, BxR ch; 28 R-B3, N-N4; 29 P-N4, R-Q2; 30 R-Q5, P-N3; 31 B-N4, P-QR4; 32 B-R3, R-Q1; 33 R1-Q3, R-Q2 (mutual impasse; Black can only shuffle his rook, White cannot take advantage of the knight pin); 34 R-N3, R-Q1; 35 K-R1, R-Q2; 36 R-Q1, R-Q1; 37 R-Q2; 38 K-N1, R-Q1; 39 P-N4, P-P2; 40 BxP, R-Q2; 41 P-QR4, R-Q1; 42 K-R2, R-Q2; 43 K-N4, R-Q1; 44 R-Q1, R-Q2; drawn.

LEONARD BARDEN

Bridge

I WAS declarer in two most interesting spade contracts in recent sessions of rubber bridge. Sitting South, I dealt this hand at game all:

N.
♠ K Q
♥ A 9 6 4
♦ Q 5
♣ Q 10 9 6 2
W. ♠ 8 4 2
♥ Q 3 7 5 3 2
♦ J 8 4
♣ A K 10 9 6 2
E. ♠ A K 3 7 3
♥ S.
♠ A J 10 9 7 5 3
♥ K 10
♦ 7 3
♣ J 5

I opened the bidding with one spade—don't turn up your nose at this nine-point opening—my partner said two clubs, and East bid a modest two diamonds, which is hardly the best course of action. I rebid two spades—yes, I did—North raised

correctly to four spades, East doubled, and all passed.

West led the diamond Knave, and East cashed Ace and King, switching to the club King. On this I dropped the Knave, and East, taking this for a true card, now led the Knave of hearts. East, as I well know, is not a gullible player, so I placed West with the Queen. This meant that I could win with the King, run the ten, and then discard my club loser on the Ace. But owing to the heart block and the lack of any side-suit entry to the table, I could not first draw trumps. At trick five I ran the heart ten, East ruffed, and now I went two down.

Unlucky? No, badly played. I preach safety plays from the house-tops, and here I was, failing to take out an insurance policy. I could have afforded one round of trumps by playing my Ace, and that would have been enough to save the contract and the rubber. The opponents, need I say, went out on the next hand.

Who would have thought that East would hold two singletons?

And echo answered, "Ugh!" The second hand was much more complicated:

N.
♠ 8 6 5 2
♥ A 5
♦ 7 4
♣ A K Q 9 8
W. ♠ 10
♥ J 10 9 4 2
♦ K 10 5 3
♣ J 10 3
E. ♠ K J 7 3
♥ K 8 6
♦ Q 9 8 2
♣ 8 4
S.
♠ A Q 9 4
♥ Q 7 3
♦ A J 6
♣ 7 5 2

At a love score North, my partner, dealt and bid one club, I replied with one spade, and went four spades after a single raise from the opener. West led the Knave of Hearts, and I had plenty of homework to do. It looks right to play low from dummy to make sure of establishing the Queen, but there is a serious objection to this. Inevitably a diamond will be fired back, and in order to be sure of discarding dummy's

remaining diamond, I should have to cash the heart Ace and cross to hand with a trump to the Ace, and this surrender of trump control was not what I wanted.

It seemed better to win the opening lead in dummy and return the low heart. East won with the King—so far, so good—and, as expected the two of diamonds was returned, the Ace won, and dummy's diamond was thrown on the heart Queen. At this point the right play in case there are four trumps with East, is the spade four. West won with the ten, and returned a club to dummy's Ace, which was unimagined. He should have led a diamond, which makes things far more difficult, though the contract can still be made. As it was, a trump was led from the table, and the nine finessed in hand. When this held the trick, it was all over. Dummy was entered with a diamond ruff, a trump return picked up East's two remaining trumps, and 11 tricks were made.

E. P. C. COTTER

Travel

Remoter parts of Yugoslavia

BY SYLVIE NICKELS

IT WAS quite by chance that we attended that September afternoon with Mass at the monastery of Gracanica. Only a handful of nuns reside there now and most are well past their youth; but it does not take many pure, if untrained, voices to make an impact in candlelight flickering on frescoes whose solemn, saintly faces gaze down as they have done for around 600 years. One of the nuns saw my tape recorder and asked if she could hear it played back. So we stood out in the early evening sunlight, and she smiled as she listened to her own clear voice coming out of the little box in my hand. In many places I know, they would have asked for money. Here they offered me free wine and a key ring as a souvenir.

Gracanica is six miles from Pristina in one of the lesser known parts of Yugoslavia, where nature is beautiful but tough, and history has been even tougher. The region is Kosovo: a small autonomous province tucked into the mountainous corrugations of south Serbia, between Montenegro and Macedonia.

Quite a few organised tours pass through here on a run-around of the whole country: a few specialists in medieval art and architecture stay longer. But now better roads have brought it closer to the mainstream of Yugoslav tourism: locally they know that what they have is special for here as much as anywhere is a microcosm of the whole fascinating, confusing, multi-cultural aspects of Yugoslavia. New hotels are opening and sports amenities, especially for skiing and hunting, are being developed by enthusiastic local tourist authorities. Unusually for this



Bay of Kotor, Montenegro

Trevor Humphries

part of the world, wild life tourism seems to be getting a fair share of attention. Both the flora and fauna are rich. My main plea to them would be to remember that first-class hotels need first-class service: the two do not always go together in this otherwise splendid region.

Only a few miles from Gracanica are the fields of Kosovo. It was here in 1389 that the Serbs made a last-ditch stand against the spreading Ottoman Empire. And it was here they lost, and so the fate of much of Europe was moulded for up to 500 years. To-day at Kosovo a monument stands on a hill and, from it, you look out over cornfields to the billowing smoke of a power station. It is in spring that you see the red splashes of wild poppy, said to have bloomed from the spilt blood of Serbian heroes.

Culturally Kosovo is fascinating. Nearly three-quarters of the population are Albanian, most of them Moslems, and there is also a small Turkish minority. So, in the villages and the older districts of the towns, the spoken language and shop signs are as foreign to the local Slavs as they are to you.

Just as distinctive are other sights and sounds. Much of the local traffic is still horse-drawn, and the clatter of wheels

on cobbles and the jangle of brake-bells are an integral part of every back street scene. Each market yields a rich, strange medley of noise which has much more in it of east than of west. Tiny shops devote themselves to pots and pails, to the ubiquitous white skull cap, to leatherware, to silver filigree, to the bright materials from which the womenfolk make their flowing trousers; and from innumerable workshops come the clang of the blacksmith, the rasp of the saw, the sight of saddler or tailor assiduously stitching.

Of the monasteries built by Slav nobles and kings before the Battle of Kosovo, most of the oldest and finest are in Macedonia and there are many many later ones in Serbia. But, in addition to Gracanica, Kosovo has Decani near Pec, and the massive Patriarchate complex that crouches beneath the stern crags at the entrance to Rugovo Gorge on the outskirts of Pec itself. Here indeed was the cultural and religious heart of old Serbia before and long after the Turks came. Ancient mosques, Turkish tombs and Moslem mansions are other great features of architectural Kosovo.

The three main towns of the region are Pristina, Prizren, and

Pec. In Prizren, the old picturesque untidiness has been least diluted by the 20th century, but as yet it hasn't much in the way of accommodation, except for a modern motel some miles out on the road to Pec.

Pristina has mushroomed in a very few years and is now a university and industrial town, with a high proportion of students. It has lost some of its dishevelled charm in the process, but has a number of fine Turkish monuments and Kosovo's very first A-category hotel is just about to open here. Pec is a complete hotch-potch of old and new with some beautiful old houses tucked away behind high courtyard walls in narrow streets and a lovely mosque of 15th-century vintage. The newly rebuilt Metohija hotel is B-plus category or the old-fashioned Korzo is B. "Korzo" is the name of the evening stroll in which the entire population seems to participate, and affords good, free entertainment.

Most visitors will combine their visit to Kosovo with Macedonia and/or Montenegro, of which more on another occasion. The main roads south to Macedonia are excellent, following broad valleys of maize, sunflower and tobacco fields or dramatic ravines linked by gentle passes. Westwards, an excellent new road from Pec follows a beautiful but fairly devious route into Montenegro via Rozaje and Ivangrad.

There is a shorter route over Cakor Pass which is truly spectacular, but be warned that a few years ago it took me 17 hours by bus to cover the 100 miles to Titograd this way and, from all accounts, the road has not changed much since then. But this included a late-April snow-storm of impressive proportions: under good weather conditions, I would tackle it again any day. Further information: Yugoslav National Tourist Office, 143 Regent Street, London, W.1.

Fashion



Buyer's guide to how to wear it

BY LUCIA VAN DER POST

BECAUSE MOST fashion photographs show the clothes on beautiful, slim young girls there is a common belief that the clothes thus shown are only suitable for the said beautiful, slim young girls. Almost every fashion writer gets bagfuls of letters from despairing women over 30 who seem to feel that all the really nice, new clothes are not for them.

In fact, this is far from the truth. Never before has fashion offered such a variety of styles, shapes, fabrics and colours all of which can be adapted by any age and shape to suit themselves. There are so many different streams that make up fashion to-day that somewhere out there is something to suit everybody.

I do admit that it isn't easy. Precisely because there are so many different ways of putting the same outfit together, of wearing a shawl or a scarf, decisions have to be taken by the wearer all along the line.

To show what I mean I asked Jennifer Bate who is the dress buyer for Peter Robinson at Oxford Circus, to select the sort of clothes that she would and does wear. As you can see from the photographs, Jennifer is tall and slim, which certainly helps the look of clothes at any age, but she is not a teenager (she is 30 years old) and the style of dressing she achieves is sophisticated and elegant rather than kooky or jeune fille.

Everything that Jennifer chose could be worn by women of any age and all the clothes offer considerable possibilities in that they can be put together

in several different ways. Jennifer has a fairly demanding life: she is married and lives in Bracknell which means she has to leave her home at 7.15 in the morning and doesn't get home until about 7.15 in the evening. This means she has to be organised about everything, and about her clothes as particular.

She is, of course, greatly helped by her job because she sees all the fashion shows, both here and in Paris, so she is continually seeing how the top models put together the various bits and pieces that make up a look. She always sticks to a range of colours that suit her magnificent red hair. This means she loves all the colours from dark brown, through caramel and onto pale apricots.

She tends to have a buying spurge at the beginning of each season. She looks through her wardrobe, decides what she wants to keep and what she wants to throw out and this then guides her in her new buys. She has found that unless she buys in an organised way it's terribly tempting to go through the year on impulse buys and then find you've got nothing that really goes with anything else.

She thinks it is important for the ordinary shopper to get her eye in by looking through magazines, before even setting foot in a shop. She should then decide which of the current shapes suit her (for instance at the moment there are a lot of smock shapes about which Jennifer says she can't wear so



LEFT
● A lovely, loose caramel hopsack coatdress, which can also be worn in summer on its own, is shown here worn over a finely pleated tiered skirt in a pretty pink flowered print and matching blouse. The coat, which also comes in a stone colour, is by Mr. Reginald and costs £39.95. The skirt and matching blouse are made of cotton. Also by Mr. Reginald, they cost £34.95 together.

RIGHT
● For evenings Jennifer prefers the shorter length and this tiered skirt and matching quilted waistcoat (there is also a shawl with the outfit) has seen her through many happy occasions. £25.95. By Monet, it is made of 100 per cent viscose in an apricot/green floral print (it also comes in a beige/brown print). She wears it here with an apricot alky feel acetate shirt, £11.95, which comes in many other colours. The cotton lace-trimmed petticoat is £7.50.

she avoids them but goes for well are Earlybird, Clobber, Betty Barclay and Mr. Reginald, shape instead). The looks that are certainly going to go on and on are the blouses and the smock (the silhouette is big at the top and then slender from the hips down). She sees the backing jacket going on for some time, and thinks that a good make in a good neutral colour could be the foundation of any wardrobe.

The layered look is still very important and clothes do need a certain amount of dressing up. By using layers you can avoid the hard, severe lines which are quite out of fashion at the moment. Petticoats, whether separate or attached, will go on being important. Footwear is terribly important to give the right line to any garment and Jennifer feels that high, strappy shoes look best with the frilly petticoats.

The spring clothes just going into Peter Robinson now show that there will be lots of dusky pastels about with virtually no navy (unheard of in a British summer) and very few primary colours.

Accessories, too, are vital and the big, chunky bags that go with the loose, layered look will still be about. Lots of tiny, narrow belts will be needed for clashing round blouses, shirts or smocks.

Jennifer's own favourite labels, which she buys not only for the shop but for herself as well, are Peter Robinson, Oxford Circus, London, W.1. would be happy to send by post any of the clothes featured, but you would need to write to them first for details of the cost of postage and packing.



● For week-ends and casual wear Jennifer is normally to be found in trousers. At the moment her favourite is a pair of caramel-coloured cord straight-legged trousers which she wears either with a checked blouse with matching shawl, or, as here, with her favourite caramel-coloured candlewick blouse—an impulse buy in Paris recently. The trousers cost £14.95. Her shoulder bag, in natural-coloured canvas trimmed with tan leather, is £20.95.



● A soft dress, the sort of useful standby for day, or evening, that every wardrobe should have. Made from 100 per cent viscose, it is in a pretty soft flowered print of beiges, creams, greens and pinks. By Earlybird, the dress, with attached petticoat trim, costs £25.00. It is worn with a narrow hessian belt which costs £2.95.

Photographs by Trevor Humphries

The cane table (£22.95) and bar stool (£17.95) are from a selection of cane furniture at Harrods Way-In Living Department.

Gardens

After the storm damage

SNOWSTORMS have left a trail of damage in gardens mainly to evergreens and most of all to the narrowly columnar cypresses which make such effective focal points for garden vistas. They are beautiful so long as they remain spire-like and unblemished but once they become scorched and ragged they are as unwelcome as they were previously desirable.

The many erect forms of Lawson cypress are among the worst sufferers for most have acquired their narrow habit, not by producing shorter side branches but by holding them nearly upright close packed around the main trunk. When snow falls it lodges in these upward pointing branches dragging them down and giving the whole tree a terribly tousled appearance. Sometimes branches are pulled right off, more often they are left sticking out at ungainly angles and the sad thing is they never recover of their own accord.

One of the most vulnerable is that old favourite *Chamaecyparis lawsoniana erecta* (it used to be called "erecta viridis" because of its light green colour but botanists have declared "viridis" redundant). I have a 40-year-old specimen that gets to look more battered every winter despite all the care I lavish on it and sometimes I think that it would be best to fell it but am deterred by the thought of the gap that this would create in the garden. By contrast one of the most resistant to damage, which has been with me for fully 30 years and has never shown any trace of injury, is *C. lawsoniana columnaris* a dark green cypress that gets its narrow habit by

producing very short, sturdy side branches. Another that I had good is the Arizona cypress, *Cupressus glabra* (it used to be called *C. monsonia* and I regret the change), a spire-like evergreen with delightful jade green leaves which are greyer in spring when they are young. This is not short branched and I think it resists damage because of its rather thin tracery of foliage which offers less catchment for snow than the densely packed growth of many columnar cypresses. I like it very much and, despite its Arizona origin, it appears to be perfectly hardy.

So what can be done about the damage now that it has occurred? All broken and badly damaged branches must go, lopped off close to the main trunk unless there are some live leaves or side shoots below the point of injury that give promise of renewed growth, in which case the branch can be cut back to them. But I find, too often, that when a branch is merely shortened to bare wood, this remains dormant and slowly dies so that the damage is compounded rather than cured.

Some other branches, not actually broken, may spring back into place. If modestly shortened and so relieved of some of their weight. But in general branches that have been pulled out of place will have to be forcibly held in for a while with encircling ties of wire or plastic covered wire. An alternative is to wrap a circle of netting, green plastic for preference, around the tree. This will look unsightly for a while but will gradually become enveloped

in new growth which will conceal it completely. Such supports are more costly than simple encircling ties spaced a foot or so apart, and it takes time to fit them neatly, but they will control the tree with cosset-like precision and will last a long time. Eventually they will become too tight and will have to be removed and that, too, can be a tricky, time-consuming task.

With trees of more horizontally branching habit it is large scale breakages rather than distortion that one has to fear. The damage has been greatly increased this year by gales, some of which have been so fierce that many trees have been blown right out. More have toppled in my own garden than I can recollect in any previous winter. Many of the trees that have fallen or are now leaning at ominous angles have poor root systems, some clearly infected by honey fungus, others by diseases not so readily identifiable, but most would have continued to stand for many more years had it not been for the storms. I suspect that the uniquely prolonged drought of the 1976 summer, have also played their part. It is roots that have already been weakened by other causes that most readily succumb to honey fungus just as it is the ancient trees, already failing, that receive their final death blow from the stranglehold of ivy.

But whatever the cause, the devastation remains to be cleared up. Broken branches must be sawn off cleanly where they join the main trunk or a live, undamaged side branch

that will continue to draw sap through them. When lopping large limbs always start by cutting a foot or more beyond the point at which you intend to make the final amputation. A small undercut below the branch before you start to saw from above will also help. In this way bark tearing will be reduced to a minimum, the final cut, with only a short piece of branch pulling it open, can be made easily and cleanly and, if the wound is then painted with Arborex or some other good tree wound dressing, healing will take place with minimum delay and danger.

The trees that have fallen over or have broken so badly that they must be grubbed present a different problem. They should be removed with as much of their roots as possible and as large an area of soil as practicable, where they have been growing, should be broken up with spade or fork to a depth of at least 18 inches. Honey fungus hates disturbance and most of it dies when well chopped up in this way. Of course re-infection can take place rapidly from surrounding ground but this can be prevented, or at least delayed for a long time, by burying a "wall" of polythene film right around the site and to a depth of at least 18 inches. With this protection one can replant at once with reasonable safety. I prefer this mechanical method to soil treatments with chemicals which may actually depress the fertility of the soil for a considerable time and so delay the establishment of new trees and shrubs.

ARTHUR HELLYER

TRAVEL

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PUBLIC NOTICES

CITY OF BRADFORD METROPOLITAN Bill amounting to £2,000,000 were issued on 21st January 1978 for maturity on 31st March 1978 at a rate of 5 1/2%. Applications invited £10,000,000. Bids outstanding total £4,000,000.

How to spend it

by Christine Burton

ALL HUNG UP

IT WAS one of the stated aims of Lyndon Baines Johnson to raise the American standard of living so that every family could have a picture on the wall. Let us hope that anyone reading this page has already reached this happy position and concentrate on where to buy, and how to frame, said picture.

Supposing this picture is an Old Master in a tatty frame, a good thing to do would be to go to see Paul Levi of Upbrook Studios, London, W.2. Mr. Levi is a craftsman who believes that many paintings are encased in frames which simply do not do them justice—and he points this out sometimes to those directors of galleries and museums among his customers. Occasionally a recommendation takes effect and a commission to reframe a masterpiece is the result.

For instance, one of our national galleries had two magnificent Titians whose cheap and nasty frames were no match for the paintings. For one thing they were only 3 inches wide whereas they should have been at least 8 inches.

Eventually money was found to reframe them—it had taken five years for the gallery to raise enough money, despite Government spending cuts, to justify expenditure on pictures which are in any case only on loan.

Of work at present being completed at the studios, one important commission is for work on panel paintings by Hugo van der Goes, owned by the Queen and on loan to the same gallery. Dated 1480, the pictures form the double-sided wings of an altar piece which the Ministry of Works had put into glass boxes in the 1930s. The two sides should have been far apart—as they would have appeared had they been on an altar—but the previous framing had juxtaposed them so that figures which should have been facing were in fact looking away from each other.

The sets of paintings are now being mounted in perspex frames which cannot be detected on the stand, and connected to metal poles which swivel to enable all the sides to be seen. The final framed version—with a length of wall in between—will be mounted on a black basalt stone table and the gallery staff is working on getting the lighting just right.

Built into the panel is a mechanism which is triggered by any change in humidity. The perspex box will act as a buffer to the changes which invariably take place in the atmosphere of any building.

All the work for this mammoth task—right down to the special metal pins—was carried out by the ten people in Mr. Levi's workshop in London while the actual works of art stayed at the gallery. Unfortunately,

it proved impossible to restore the paintings at the same time!

Another commission some while back was to frame the paintings for Elizabeth Taylor's yacht, Kalima. Among others, there was a Van Gogh and a Picasso in the dining room and a large Monet in the drawing room. Because of the excessive humidity caused by the yacht sailing in the Mediterranean, great care had to be taken to avoid condensation. When the ship went through turbulent waters it was imperative that the pictures were not shaken or knocked off the walls. However, they had to be easily dismantled because whenever Kalima came into port, or when Elizabeth Taylor was in residence elsewhere, then the paintings were freighted to be with her, or were put into safe keeping.

For this particular job perspex which had been treated with an ultra-violet filter to protect the paper in differing light conditions was used. In fact, perspex is used more than glass, but there is still a need for someone to make a low-reflecting, ultra-violet absorbing, perspex. The low-reflecting glass is specially imported from Germany.

Very often Mr. Levi recommends that his customers on a budget should cut down on the frame, and spend more on the glass. He will also give an opinion as to whether a painting should be relined (that is, backed by a new canvas) and restored. This is especially the case with North European 17th-century pictures.

It is the generally accepted view that a painting should be framed in the way it would have been at the time it was painted. Mr. Levi does not therefore make "fakes"—which he defines as something made with the intention to deceive—but "copies" which are made so that they do not worry an expert of the period.

The wood used for Old Masters is very often walnut, oak or lime, but a frame made recently at the studios for a modern (1978) painting was from boxwood and ebony. (This cost about £100.)

Although in the workshops you can buy a frame from ready-made moulding for as little as £8 or £9, a specially commissioned carved and gilt frame could well be £600 to £700.

Paul Levi would be delighted to visit a customer and see his projected task in situ, so that he can take its surroundings into account when making his recommendations.

If you have an Old Master, or even a David Hockney, about which you would like some advice, you would be sure of a welcome at the workshop, Upbrook Studios, 20, Brook Mews North, London, W.2, is open from 8 a.m. to 5.30 p.m., Monday to Saturday. It is probably better, however, to make an appointment by ringing 01-723 1948.



Anita Page by Frank Martin—limited edition of 50 etchings from Casa Pupo Art Gallery. Print alone costs £15.40.

I THINK I would prefer to collect pictures for my home than any other decorative accessory. I really enjoy going to galleries and visualising the sort of room or people that a particular picture would suit. And I also get a certain satisfaction from thinking "I can't bear that."

However, I rarely feel like that when I look at the catalogue from Christie's Contemporary Art which regularly pops through my letterbox.

Christie's Contemporary Art is run by Myles Cooke and David Case. Though trained as a chartered accountant and a chemist, respectively, they had worked together and were both interested in collecting prints. Five years ago they got together with Christie's, which owns just over 50 per cent of the shares, to get the company off the ground. The first three years were quite a struggle, but now success is assured and a good 50 per cent of their sales are exported, mostly to the States and to the growing market of the Middle East.

They publish limited editions, usually of 100 or 150, of lithographs, mezzotints, etchings and aquatints.

Myles Cooke and David Case say that popular opinion has swung away from the hard-line abstracts of the early 1960s and moved more towards figurative work. A large proportion of their prints have always been landscapes, and these remain popular, but in a recent survey conducted among their customers, people, wildlife, seascapes and still life were also asked for.

When the venture started Myles Cooke and David Case made a pact that they would only buy from an artist if they were both in agreement about



This etching and aquatint was issued by Christie's in conjunction with the National Trust in an edition of 250. Lavenham Guildhall by Valerie Thornton, at £35, has in fact sold out but is reproduced as an example of her work and that of Christie's Contemporary Art.

his work. Of course, they quite often agree that some things would sell, but they are not up to the standard on which they have built their reputation.

In any one week, an average of three artists will come in on spec hoping that their work will meet with approval. It can happen that someone's work will be bought immediately and he will be asked to go away and prepare 150 prints. But more often, new artists are found through personal recommendation from other artists and art school teachers. Sometimes artists are asked to return with a further selection—and this process has been known to go on for three years until the artist's work is in tune with the partners' thinking.

When they decide to include an edition in the mail order catalogue they can always gauge how popular it is going to be. For instance a print issued last year of two eggs in egg-cups has so far sold slowly but they know that it will have sold out in a year. On the other hand they know that some prints will be so sought after that they will sell out within three weeks of the catalogue appearing. Sometimes they will even buy back along to the gallery and browse.

If you think you may well make a purchase and would like to be included on their mailing list, write to Christie's Contemporary Art at 3 Dover Street, London W.1. Better still, go times they will even buy back



A soon to be issued edition of 200 lithographs by George Guest entitled "White boat." The sky and the water is very pale (blue and grey) and the land is very dark in contrast. £40, Christie's Contemporary Art.

AS FAR as I am concerned, the only reason for buying a print is that you like it—the possibility of it being an investment should not really rear its ugly head. But if anything should increase in value it is more likely to be an original one-off painting—and sometimes these can be picked up quite cheaply. Even in my heavy state each morning, I still appreciate the large and beautiful watercolours hanging opposite my bed, which I bought for £15 at an exhibition of the work of local artists at my local town hall.

A gallery where you can see a large selection of prints and a small selection of original watercolours or oils is the Casa Pupo Art Gallery. Opened only four months ago, it is to be

found on the first floor of the Casa Pupo shop at 56 Pimlico Road, London, S.W.1. Most of their editions run to 75 or 100 and the prices go from £30 for a framed print to about £100 for an original watercolour; £50 for 12 inches square.

At the moment there is an exhibition of watercolours by Paul Brooks. He lives in Dorset, and depicts his flowers and wild life in his watercolours and pen and ink drawings. An exquisite painting of a mouse with the artist's name on its back was just there. Sarah Benson, who runs the gallery, tells me that the framed size of 10 inches by 14 inches cost £29 but this one Beer, Valerie Daniel, Phil has been sold.

Go along to the gallery—if you like the work of the artists mentioned above you are almost bound to find something to buy. Frank Martin draws Holly-

Bully for beef

THREE-DAY DAUBE A LA PROVENCALE (serves 8-10)

Three days aren't really necessary: you can marinate the meat in the morning, cook it in the evening and chill it overnight. Then scrape off surface fat and brown the meat in a little oil. Creuset doufeu or daubiere the tailor-made for this dish. If you don't have one, replace the lid with a heavy casserole with a neatly fitting soup plate filled with water (remember to replenish as it evaporates): it will encourage steam inside the pot to condense and drip back onto the meat.

3lb. rump, chuck or blade, 1 pig's trotter, 5 or 6 pieces of smoked streaky bacon, 1 large onion, 4 tomatoes, 1 orange, 2 garlic cloves, a bouquet garni, 23 tablespoons olive oil, 2 teaspoons sugar and a good seasoning of black pepper.

For the marinade: 6 fl. oz. red wine, 1 small onion, 4 cloves, 1 garlic clove, the grated zest of half an orange, a few black peppercorns, a bayleaf, sprig of thyme and a few parsley stalks.

For the Provencale sauce: 6 anchovy fillets, 1 tablespoon capers, 1 large garlic clove, 2 tablespoons chopped parsley, 1 tablespoon olive oil and a handful of black olives.

On the first day prepare the marinade. Peel and quarter the onion, stud it with cloves and place on a piece of butter-milk. Add the sliced garlic and remaining marinade ingredients and tie up loosely. Put it into a bowl, add the beef cut into 1½ in. cubes, pour on the wine, cover and leave overnight in a cold larder.

PHILIPPA DAVENPORT

Lucia van der Post is on holiday



POOR MAN'S STROGANOFF (serves 6)

Using fillet steak and a sauté pan makes a quick but expensive stroganoff. This version, using a cheaper cut and slower cooking method, is just as good. I think adding a little cream with yoghurt means it is not so fattening. Buttered noodles make an excellent accompaniment but the calorie conscious may prefer to opt for steamed spinach.

CARBONNADÉ DE BŒUF (serves 8)

I use a large but fairly shallow casserole for this so there is plenty of surface area for the mustard-coated slices of beef which are added towards the end of cooking time.

3 lb stewing steak, 24 tablespoons beef dripping, 3 large garlic cloves, 1 lb onion, 1 tablespoon sugar, 4 tablespoons flour, 1 pint Guinness, 3 tablespoons wine or tarragon vinegar, 23 fl oz good beef stock, salt, pepper, a scruping of putnag and a good pinch of cloves, a French loaf and French mustard.

graphs from rare original prints, mounted them on a plain beige board and framed them in a simple gold-painted frame. They make interesting, attractive pictures.

A selection of Sun Pictures is available from Liberty's of Regent Street, London, W.1. The sizes vary and so do the prices: from £12 to about £35.

Readers outside London may obtain a mail order brochure by writing to: Sun Pictures, 144, Marshwick Lane, St. Albans, Herts. (St. Albans 64504).



Entitled "Portrait of Isobel" this early 1860s photograph is attributed to O. G. Rejlander. There was much discussion in this office as to the species of the animal with Isobel—most plumped for a monkey. It is in fact a Pomeranian dog.

THE CURRENT vogue for nostalgia is the idea behind a successful venture called Studio 1900. Customers can go along and dress up in Victorian clothes and have their photographs taken against a period backdrop. In most cases the photographer helps with the selection of apparel: in the case of a woman, the dress or costume is simply slipped over her normal clothes and fastened with ties at the back. If she has a pinned back, with a large bay

perched on top. Don't forget Experience, Coventry Street, that Victorian ladies didn't have London, W.1, and at 110 Bromp-accies to such an adornment as a nail varnish. Another studio is scheduled to open at 6 East Street, Brighton, in the middle of February.

Let us turn now from the ridicules to the sublime. Early photography is a very fashionable subject at the moment and people such as William Henry Fox Talbot and Julia Margaret Cameron have become household words. Now on, until May 7 at the Victoria and Albert Museum is an exhibition entitled Treasures of the Print Room featuring "old to modern masters of photography." Included among these are Roger Fenton, D. O. Hill, Robert Adamson and Julia Margaret Cameron.

Work by these last three is included in a collection of Victorian art photography by Sun Pictures. Sun Pictures has made authentically toned photo-



Modern-day Victorian gentleman

OVERSEAS NEWS

Carter intervenes to break deadlock in miners' strike

BY STEWART FLEMING

NEW YORK, Feb. 3.

UNDER INCREASING pressure to try and bring to an end the U.S. coal strike, President Carter today intervened in the dispute which is now the longest strike in the United Mine Workers 88-year history.

Labour Department officials confirmed that the Labour Secretary, Mr. Ray Marshall, called the union president, Arnold Miller, this morning asking him to request the White House to postpone a meeting of the union's bargaining council until Tuesday.

The bargaining council, comprising district union leaders and members of the union's international executive board had been called to Washington last night in anticipation that an agreement would be reached between the negotiating teams. It was hoped that this would provide the basis for ending the 60-day strike.

But negotiations last night

failed again and the Labour Secretary asked Mr. Miller to postpone the meeting to give negotiators more time.

The Administration's intervention in this way is seen primarily as cosmetic—an attempt to demonstrate to the power companies concerned about dwindling coal stocks that the administration is aware of their anxieties. Power company executives are reportedly asking Congressional representatives from their areas to let the Government know that the situation is becoming increasingly serious.

Already there are warnings of imminent restrictions in power supplies in certain regions, Ohio for example. And the New Haven railroad which brings commuters into New York from the Connecticut area has said that there is a growing danger of interruptions in services because the power station

supplying electricity to the line is reaching a critical point in its coal stocks.

At present there is no danger of widespread power losses across the Eastern half of the nation but rather a serious threat to supplies in certain districts.

Even if a settlement is agreed at the negotiating table this week-end—and some observers say that the gulf between the union and management is wider than reports earlier this week implied—the union's bargaining council has to approve the agreement so that it can be submitted to the UMW's 180,000 members for ratification.

That process would take at least ten days even assuming that the membership approves the settlement so it will be late in the month before the miners—in the UMW—who account for about half the nation's coal production will be back at work.

Five-power group to recommend S. Africa troop cuts in Namibia

BY MICHAEL HOLMAN

LUSAKA, Feb. 3.

PROPOSALS to resolve the Namibian dispute, to be put forward by five Western powers, call for the reduction of South Africa's estimated 12,000 to 20,000 troops to 1,500 and their restriction to one or two bases in northern Namibia, and for the regrouping into special camps of the guerrilla forces of the South West African People's Organisation (SWAPO), according to well-informed sources here.

This would be done before a four-month election campaign supervised by a UN force headed by a UN special representative.

The proposals are currently being discussed by the SWAPO executive committee in Lusaka, prior to the so-called "proximity talks" in New York next week involving SWAPO, South African Government Ministers and the group of five Western countries. It is thought that the proposals will be made public after the New York meeting. Although the

Western powers anticipate that both parties will raise objections, sources here hope that Western pressure on South Africa and the influence of African states on SWAPO might lead to compromise.

The sequence of events, assuming agreement by the parties, would begin with the appointment of the UN representative, disbanding of a UN contingency planning group to Namibia, followed by a cease-fire. The process of reducing the South African forces and putting SWAPO guerrillas into special camps would then begin, to be completed within three months.

A UN military force, probably 3,000 to 4,000 in strength (though this is not specified in the proposals), would monitor the cease-fire and prevent border infiltration—a measure in which the cooperation of the front line black states will be sought.

The election campaign would open in the thirteenth week and

one week after the results have been certified by the UN. There would be total South African withdrawal and closure of SWAPO bases. Under this timetable independence is envisaged by December 31, and the newly-elected assembly would work out the constitution.

Prior to campaigning, the administrator-general would repeat all discriminatory legislation. All Namibian political prisoners held by South Africa would be released, as would all Namibians detained elsewhere. But the proposals apparently allow for the possibility that some detainees "may not opt to return."

UN Secretary-General Kurt Waldheim will meet the Foreign Ministers of Britain, Canada, France, the U.S. and West Germany at the conclusion of their talks in New York on February 11 and on the future of Namibia (South West Africa), a UN spokesman said today.

Gaddafi joins anti-Sadat talks

ALGIERS, Feb. 3.

LIBYAN leader Muammar Gaddafi joined hard-line Arab leaders here today for the second day of summit talks on new plans for frustrating the Egyptian peace initiative.

Conference officials refused to explain why Colonel Gaddafi failed to arrive in time for the opening session yesterday.

The Libyan leader, who was host to a summit in Tripoli at which the five-member resistance front was set up, was earlier reported to have been suffering from a stomach complaint.

Informed sources said the other members of the alliance meeting in a luxury hotel here had telephoned Colonel Gaddafi several times yesterday, urging him to attend the conference.

Apart from the Libyans, the front groups Algeria, Syria, South Yemen and the Palestine Liberation Organisation (PLO) President Yasser Arafat, who arrived in Washington today on the second leg of an eight-night tour to canvas support for his stand on a comprehensive Middle East settlement.

Another fresh arrival at today's session was George Habash, leader of the radical Popular Front for the Liberation of Palestine (PFLP).

At the Tripoli summit he said beside Mr. Arafat for the first time in public since a major policy dispute led him to set up a Palestinian rejection front several years ago.

David Lennon reports from Tel Aviv: Israel never undertook to set up establishing Jewish settlements in the occupied territories, the Prime Minister's office announced today, in response to White House criticism of continued Jewish settlement on the West Bank and in Northern Sinai.

At the same time, a senior official was reprimanded for saying this morning that settlement was more important than peace negotiations.

The statement on the Prime Minister's behalf declared that neither he, the Foreign Minister, nor any other Government figure had told the U.S. administration that Israel would stop settlement programmes.

President Carter said earlier this week that he had understood from talks with Mr. Begin and the Foreign Minister that Israel would pursue no new settlements in the occupied territories.

Mr. Moshe Dayan, the Foreign Minister, told the Knesset this week that he had informed President Carter that while peace negotiations were in progress, Israel would only build new settlements within the framework of army camps.

Some of the dozen Jewish settlements established on the West Bank in the past few months were located on sites that could be described as military camps only in the loosest sense of the term.

The most senior army officer in charge of Jewish settlements, Brig. Gen. Uri Baron, said this morning that "settlement is more important than peace negotiations."

He was criticised by Mr. Ariel Sharon, Minister responsible for settlement. Mr. Sharon said there is no room for a comparison between peace talks and settlement activity.

Washington Star goes to Time Inc.

By Our Own Correspondent

WASHINGTON, Feb. 3. TIME INC. is to buy the Washington Star, the capital's afternoon newspaper, for \$50m, from Mr. Joe L. Allbritton, the Texas millionaire who has effectively controlled the daily since 1974.

Mr. Allbritton will remain as publisher for at least another five years and will retain control of Washington Star Communications, the parent company which also has extensive broadcasting interests.

Time's purchase of the Star, still subject to the approval of both Boards, means that both this city's newspapers will be linked to the two major American news magazines—Newsweek is a subsidiary of the Washington Post.

Mr. Allbritton, who owns several race horses in Britain, is generally given much credit for having kept the ailing Star alive over the past four years.

Although over that period it has made a number of profitably, however, in the second and last quarters of last year—its immense losses were substantially trimmed.

At the same time, it is reckoned to be one of the most improved newspapers in the country, achieved under the direction of its former Editor, Mr. James Bellows. Mr. Bellows, however, whose relations with Mr. Allbritton were never smooth, resigned late last year to become Editor of a Los Angeles newspaper amid rumours of large staff cutbacks and possible closure or sale.

Founded in 1852, the Star was family-owned for the next 120 years and was, for much of that time, the dominant newspaper in Washington before being overtaken in the past 20 years by the revived Post.

U.S. unemployment rate falls to 6.3% in January

BY JUREK MARTIN

WASHINGTON, Feb. 3.

THE U.S. unemployment rate fell slightly to 6.3 per cent in January, 0.1 per cent below the December rate. A total of 6.2m. people, seasonally adjusted, were out of work last month, virtually the same as in the previous month, while an extra 272,000 were in employment in January.

Some Administration officials, including Mr. Charles Schultz, chairman of the Council of Economic Advisers, had warned that unemployment might inch up a little following the sharp fall recorded at the end of last year: in December the jobless rate dropped to 6.4 per cent, from the 6.9 per cent of November.

The Administration does not anticipate much further decline

in unemployment in the course of the year: according to the CEA, a 4.5 per cent real growth in the economy (continuing on passage of the tax cut proposals) should increase employment during 1978 by nearly 3 per cent. But this would be offset by a projected 2.1 per cent rise in the labour force, thus leaving unemployment at 6.6 per cent. (The official projection in the budget is 6.2 per cent.)

However, the Administration is carefully pointing out that past projections of the growth of the labour force have been unreliable: last year's expansion of the 6.9 per cent, for example, substantially above official forecasts of 12 months ago.

U.S. expels Hanoi diplomat

UNITED NATIONS, Feb. 3.

IN THE first such action ever taken by the United States against the chief United Nations representative of another member country, an expulsion order was served today on Mr. Dinh Ba Thi, the ambassador of Vietnam.

He promptly rejected the bid to remove him and in a statement issued by the Vietnamese UN mission appealed to delegates of other nations to "condemn this blatant, illegal action of the U.S. Government and lend strong support to the correct stand of Vietnam in this question."

Mr. Dinh Ba Thi was named this week by the U.S. as an unindicted co-conspirator in an alleged espionage case involving a U.S. information services employee and Vietnamese officials.

The U.S. sought the ambassador's expulsion under the terms of the UN Headquarters Agreement which, in section 13(B), bars delegates from abusing the privilege of residence in America.

The Vietnamese statement said the allegations against Mr. Dinh Ba Thi were fabricated and "brazen pretexts" to compel him to leave the country. For these reasons, he would continue to carry out his normal duties as Vietnamese representative.

It was not known to-night what further pressures the U.S. might try to exert to remove the ambassador, who appears certain to receive the support of Communist delegations and many of those from the Third World.

Bridget Bloom analyses the build-up of a potentially powerful new force in Rhodesia

The growing army of Joshua Nkomo

THERE HAS, it is claimed, been such a rapid build-up in the black nationalist army owing allegiance to Mr. Joshua Nkomo, joint leader of the Rhodesian Patriotic Front, that it may now outnumber the Rhodesian regular forces.

High level sources in neighbouring countries—which admittedly may have reasons to encourage the belief in a large force of nationalists—claim that the ZAPU army of Mr. Nkomo, unlike that of ZANU, controlled by his Patriotic Front co-leader, Mr. Mugabe, is being trained as a regular force, though it is also said to contain guerrilla units.

The ZAPU army—known as the Zimbabwe Revolutionary Army—is said to be at least 8,000 strong and to be growing. Information from Botswana, the main conduit for Nkomo supporters seeking military training, suggests that some 15,000 men have fled Rhodesia in the last year, many of them to join ZAPU.

Well-placed sources in Zambia suggest that for the past year Cuban forces based in Angola have been responsible for much of ZAPU's training. There are just a few training camps just across the Zambian border in Angola.

Although Zambia does not permit Cuban forces to be based in Zambia, in a distinct change of policy President Kaunda now allows ZAPU forces to train in its camps inside Zambia.

There is no suggestion that the new ZAPU army can yet match in either training or efficiency the Rhodesian regular forces, which, including ZAPU scripts, are listed by the Institute

of Strategic Studies in London at a total strength of 8,550. But there can be no doubt that the build-up, which appears both rapid and larger than had been thought, has very serious implications for the whole Rhodesia issue.

On the one hand, Mr. Joshua Nkomo's tough stand on both the Anglo-American proposals and the internal settlement talks can be more easily understood against the background of a large regular army which apparently has barely been deployed as yet. Mr. Nkomo is reliably understood to have had only some 700 men under arms two years ago when he was himself engaged in internal settlement talks with Mr. Ian Smith in Salisbury. Given his experience then, and his enlarged force now, a top level Zambian source described suggestions that Mr. Nkomo might agree to participate in the current talks in Salisbury, now or in the future, as "daydreaming."

Guarded secrets

Both the precise size of Mr. Nkomo's force and, just as important, the use to which it will ultimately be put, are secrets closely guarded both by ZAPU and by its Zambian hosts.

One key and so far unanswered question is why ZAPU appears not to be deployed at present. Sources close to ZAPU suggest that it is primarily the regular force which is not deployed. They claim that most of the guerrillas now fighting inside Rhodesia are in fact from ZAPU and not from Mr. Mugabe's ZANU army.

However, a military spokesman in Salisbury last month told me

that the Rhodesian government estimates that there are 450 ZAPU fighters inside the country, as against 2,500 from ZANU.

One suggested reason for the non-deployment is that Mr. Nkomo is building up an army which could ultimately form the peacekeeping army of an independent Zimbabwe. It is said that policemen are also being trained for this purpose.

Another suggestion, however, is that the army is being held back until it is fully trained. It would then launch what would effectively be a full-scale attack on Rhodesia. Such an attack, it is suggested, would be timed to coincide with a period of maximum weakness in the part of the Rhodesian forces already stretched by the current guerrilla war.

Against the background of the present uneasy political relationship between the ZAPU and ZANU wings of the Patriotic Front, a more cynical suggestion is made. Mr. Nkomo, it is said, is holding his army back until Mr. Mugabe's less well trained forces have been fully stretched, on the grounds that ZAPU's greater military strength would then give it a decided political advantage in Rhodesia either before or after full independence.

Although the ZAPU military some time, evidence of its extent comes first from Botswana, which although officially neutral in the Rhodesian conflict has long given sanctuary to Rhodesian refugees.

Recent statistics suggest that for much of the past year, 600 such "refugees" have been taken down from Botswana to Zambia

each week. Although it appears that these "refugees" have included women and children, (reporters were recently taken to a ZAPU camp in Zambia, said to contain some 4,000 children), it is understood that at least half of the weekly total have been would-be fighters.

An HS 748 aeroplane with a carrying capacity of 50 is understood to be on permanent charter to carry the refugees, who leave either from Francistown, in northern Botswana, or more recently from Seibitz Pitswe.

Foreign backers

The charter, which until a few months ago was operated with Viscount, is paid for by ZAPU, which is thought to be repaid by foreign backers. The Viscount was apparently switched a few months ago with the HS 748 when it was discovered that the former, on charter from the South African-based Protea Airways, was being maintained in Salisbury.

On arrival in Zambia the recruits are rapidly transferred to ZAPU camps and many of them are then "escorted" to the Cuban-run training camps in Angola.

One reason given for the fact that ZAPU is being principally trained as a regular army is its close relationship with Zambia and its regular army. It is contended that the weakness of both the Zambian and the Rhodesian ZAPU guerrilla forces which are based there has allowed Rhodesia

to mount attacks deep in Mozambique territory.

So far, the Rhodesian forces have left Zambia largely alone. It is argued, because both the Zambian army and ZAPU would retaliate strongly against an Rhodesian attack.

If that were to happen, senior sources said, the war would be very quickly internationalised, which is something that Botswana and Mozambique want to avoid.

Zambian sources recognise, however, that the presence of such a large ZAPU army and very well have destabilising effects on Zambia itself, especially as it is admitted that the ZAPU forces could very soon be bigger than Zambia's.

It is impossible to know how long it might take ZAPU to prepare for a regular campaign. Suggestions in Lusaka that a major offensive might be launched for the end of the rainy season—grass cover is reaching its full height just now—received no confirmation.

An incident late last year during which the Rhodesian army captured a ZAPU soldier from an unfortified ZAPU forward camp, does not suggest either great readiness or efficiency. There were also accounts denied by ZAPU of division within the ZAPU leadership.

However, Zambian sources say that ZAPU has been preparing, which includes building of arms and ammunition supplies inside Rhodesia. This, together with ZAPU's military involvement with the Cubans, could just as well mean that the present fighting in Rhodesia is but the toll before the storm.

Doubt over Dr. Owen's remarks

By Martin Dickson

REMARKS by Dr. David Owen, the Foreign Secretary, in the House of Commons this week have left a question mark over whether the British Government's attitude towards any "interim" Rhodesian settlement is beginning to shift.

The Foreign Office appears unable to clarify the position.

In the House of Commons on Thursday, Mr. Jeremy Thorpe, the former Liberal leader, put it to Dr. Owen that "if we were faced with the brutal choice between those who wanted a solution through force and those who wanted a solution by peaceful means we would have no alternative but to side with the latter."

Dr. Owen replied that on this point he agreed. He added: "Although we should pursue peace up to the last moment, I envisage a situation in which we must consider recognising a government that had assumed power while there was still conflict. This is a reality."

China-EEC trade

CHINA AND THE EEC to-night initiated a framework trade agreement aimed at increasing their trade over the next five years. The agreement, the first that the European Community has made with a state trading country, is expected to be formally signed in Brussels at the end of March, David Buchanan writes from Brussels.

Sir Roy Denman, EEC External Affairs director-general, who led the negotiations with the Chinese delegation headed by Mr. Sun Shuchang a top Chinese trade official, to-night underlined the political importance of the agreement with China, which dispensed with the usual trade talks with the Community in 1973. But he could not say what the political effect of to-night's accord would be on negotiations with the Communist countries, due to start sometime this spring.

The EEC has agreed to liberalise its import quotas on Chinese goods, and to give Peking most favoured nation treatment. This last means that China, not a member of GATT, will get the benefit of whatever tariff cuts the EEC agrees to in the current multilateral trade talks. In return, China has agreed to "give favourable consideration" to EEC imports.

Iran-India talks

IRAN IS to make massive investments in a number of projects in India which will help to meet Iranian steel, alumina and foodgrain needs. Indian firms are also to be given contracts for rail and oil projects in Iran. The total value of investments will be known after further talks between officials of the two countries but it is certain to be many millions of dollars, K. R. Sharma writes from New Delhi.

Broad agreement on such bilateral co-operation was reached in talks between delegations led by the Shah of Iran, on a four-day visit here, and Prime Minister Morarji Desai. The earliest work is expected to be on an alumina project, a paper mill and the development of a canal in the Rajasthan Desert, all of which will be financed by Iran. In Iran, Indian railways will take part in the electrification of the railway system. Co-operation is also envisaged in new sources of energy, including solar and nuclear power.

But progress on the Shah of Iran project, who appears certain to receive the support of Communist delegations and many of those from the Third World.

W. GERMANY'S NEW DEFENCE MINISTER

Stepping stone to the right job for Herr Apel

BY JONATHAN CARR

BONN, Feb. 3.

CHANCELLOR Helmut Schmidt's cabinet reshuffle, announced today, brings to the Defence Ministry a man who once said he would never take the job and to the Finance Ministry one who hardly expected the post to come his way.

Herr Hans Apel, who leaves the Finance Ministry to go to Defence, has by his own admission, had no contact with military circles and would much have preferred to leave that side of affairs to others.

"I would certainly refuse to become Defence Minister," he wrote in his entertaining volume "I Thought a Horse Trod on Me" published in 1975. The title suggests there have been not a few occasions when Herr Apel has had a nasty surprise.

However, a military spokesman in Salisbury last month told me

that the Rhodesian government estimates that there are 450 ZAPU fighters inside the country, as against 2,500 from ZANU.

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Suarez assurance on economy

BY ROBERT GRAHAM

MADRID, Feb. 3.

SR. ADOLFO SUAREZ, the Prime Minister, gave assurance today that his Government will still find it hard to give full attention to the economic problems within his party to resolve. In addition he is now showing concern over bolstering his image which has suffered a

In the past two weeks several of the technical Ministries have become concerned at what they regarded as a major shift in Sr. Suarez's attention away from economic issues. A senior official said in an interview that Sr. Suarez appeared obsessed with assuring the safe passage of the constitution to a form acceptable to his UCD party to the detriment of other issues. Since the elections last June the economy has been considered as the top priority.

As evidence of Government neglect of economic issues, officials cited the hurried response of Sr. Suarez to the energetic plan, the dragging of heels over the admission of foreign banks and a virtual refusal to face up to the problems in the shipbuilding industry and the steel sector. Against this background, Sr. Suarez's commitment is significant.

Italy may have an interim government till December

BY DOMINICK J. COYLE

ROME, Feb. 3.

ITALY'S PRIME MINISTER, Designate, Sig. Giulio Andreotti, is understood to-night to have accepted the establishment of an interim government until next December which would concentrate essentially on four major policy areas—economic recovery, law and order measures, a crash programme to reduce unemployment and the maintenance of the country's traditional ties with the West.

The proposal, outlined to a special meeting of the leadership of Italy's long-ruling Christian Democrat (DC) Party, which was continuing here late tonight, is Sig. Andreotti's response to a demand by the powerful Communist Party (PCI) for direct and immediate participation in a new administration.

The DC leadership reinforced by a significant body of the back-

benchers in Parliament has rejected totally the prospect of allowing PCI members directly into the Government for the first time in some 20 years. The claim is justified in order to tackle Italy's developing economic recession and the escalation of politically motivated violence in Italian cities and towns in recent months.

The Communists, publicly at least, are still insisting on their own formula for the creation of an emergency government, to include the PCI, a prospect which the Carter Administration in Washington has said it would not be in the best interests either of the U.S. or of Western Europe as a whole.

However, senior PCI members have indicated privately that the party would settle for much less than its original demand.

W. German unemployed top 1.2m.

By Adrian Dicks

BONN, Feb. 3. UNEMPLOYMENT in West Germany rose by 122,800 during January to reach 1.21m., while the unemployment rate rose to 5.4 per cent from 4.8 per cent during December.

An increase had been expected for normal seasonal reasons, and cold weather in many parts of the country last month added to problems in those industries where work is predominantly done outdoors.

Nonetheless, the January figures come as a disappointment. The Government's published estimate of average monthly unemployment this year is 4.5 per cent, and although January was expected to be well above this, the increase in jobless people since December was sharp enough to cause worried comment to-day from all political parties.

As a slight consolation, the number of people on short-time declined by some 6,000 in January, though at 251,000 the total remained uncomfortably high.

The total of jobs available in January was 18,900 to 204,700, underlining the degree to which the West German unemployment problem is connected to the structure of the labour market.

U.K. lowest petrol price

By Guy Hawtin

FRANKFURT, Feb. 3. BRITISH petrol prices are the cheapest in Europe, according to a report published here this week. The U.K. motorist, for instance, pays a full 94.3 pence less for "super" quality fuel than his Italian counterpart, who has to swallow the highest petrol costs in Europe.

The survey was produced by Arai, the large West German filling station operator, and covers the petrol prices of 11 European countries. It shows that the British motorist pays only 66.8 pence a litre for normal petrol and 63.1 pence a litre for super. Britain is not at easy comparison with the rest of Europe because nowhere else in the EEC is such a wide range of petrol on sale.

However, in comparison, the next cheapest country for the motorist, Luxembourg, charges 75.5 pence a litre for normal petrol and 71.4 pence for super. Exchange rates have been based on late January prices.

West Germany, one of the most expensive countries in Europe in terms of average living standards, is the third-cheapest country for the motorist.

HOME NEWS

Immigrant policy increases

By Rupert Cornwell

THE political controversy over immigration policy intensified last night as the Home Office announced a new policy of "selective immigration". The new policy, which will be implemented from April 1, will allow the Home Office to refuse entry to any person who is not a citizen of a country which is a member of the Commonwealth or the Republic of Ireland. The new policy will also allow the Home Office to refuse entry to any person who is not a citizen of a country which is a member of the Commonwealth or the Republic of Ireland.

Rees described us as 'bashers' of ethnic minorities. "That is a falsehood. It always has been and always will be a falsehood, and Mr. Rees himself knows perfectly well that it is."

More Home News
Page 18

High regard for lawyer in currency case

By Kenneth Gooding

CONTACTS WITH Mr. Judah Binstock, a London solicitor, were made by the Far East and elsewhere, were described by Mr. Lewis Altman, a partner in the law firm of Binstock, Altman and Partners, as "a very successful businessman."

Price Commission lets Courage increase beer prices

By Kenneth Gooding

THE PRICE Commission has given the go-ahead for another major brewing group to lift its prices. However, Courage has become the second concern to give an assurance that there will be no further increases in beer prices until October at the earliest.

Minister endorses Bill on estate agents

By John Hunt, Parliamentary Correspondent

A PRIVATE Member's Bill aimed at preventing abuses by estate agents in the sale or purchase of residential property was given an unopposed second reading in the Commons yesterday.

Bonus for John Lewis staff at record level

By Elinor Goodman, Consumer Affairs Correspondent

THE JOHN LEWIS Partnership, which introduced its unique form of profit-sharing among its staff almost 50 years ago, is paying its highest-ever partnership bonus this year.

Shore maps out non-EEC future

By Our Lobby Staff

THE KEY to Britain's increasing her real wealth and reversing 20 years of historical decline lay less in success in wage bargaining at home than in securing a larger share of world trade, said Mr. Peter Shore, the Environment Secretary, last night.

Chemicals trade deficit with Europe widens

By Kevin Done, Chemicals Correspondent

DESPITE a record export performance, the U.K. chemical industry's trade deficit with the rest of Europe widened from £120m. in 1976 to nearly £149m. in 1977.

U.K. lower petrol price

By Guy Huxford

THE Government has agreed to a 15 per cent. cut in the price of petrol, which will bring it down to 15p a gallon.

Boards agree on design outline for the AGRs

By David Fishlock, Science Editor

A STANDARD design of Company for the two new advanced gas-cooled reactors, based on the Hinkley B station in Somerset, is to be produced by the electricity supply industry.

Insurers face big loss on rig

By Michael Blandin

MARINE UNDERWRITERS in London have almost 100 per cent. exposure on the loss risk of the jack-up oil rig Orion, which was damaged by a fire on its way from Rotterdam to Brazil.

TUC tax rate plan 'would cost £1.9bn.'

By Peter Riddell, Economics Correspondent

THE LARGE proportion of any Budget cuts in income-tax which would be absorbed by the reintroduction of a lower rate tax band has been highlighted by new Treasury estimates.

Private company directors... Are you missing out?

Current legislation allows Private Company profits—which would normally be subject to Corporation Tax—to be deployed to the advantage of Controlling or Executive Directors.

Dolls' house on display

By Michael Blandin

A DOLLS' house, said to be the most valuable in the world, worth £200,000, will be displayed at Midland Bank, King Street, Manchester, from Monday for a week.

Plea for lower tax brackets

By Guy Huxford

INCOME TAX rates should start at 15 per cent. and finish at 50 per cent., the Association of Independent Businesses says in a pre-Budget submission to the Treasury.

Stock Exchange head 'forgotten'

Financial Times Reporter

A CHAUFFEUR once failed to pick up his passenger—the chairman of the Stock Exchange—from a Buckingham Palace reception. He was sacked after an "erratic" drive back from Wales after which 63-year-old Mr. Nicholas Goodison, the chairman, said he had felt quite unsafe.

New bid by Ailsa to be nationalised

By Michael Blandin

AILSA SHIPBUILDING, Scotland's largest independent shipyard, has submitted a bid to the British Shipbuilders requesting nationalisation.

Unit trust performance shows big changes

By Adrienne Gleeson

THE FIRST month of 1978 has seen a big change in emphasis at the top of the unit trust performance tables. Whereas last year's performance was consistently dominated by funds specialising in small companies and recovery stocks, the top performers during January were Britannia Metals and Britannia Gold and General.

Paddle-steamer venture

By Michael Blandin

People living in London and the south of England will have the opportunity this summer of travelling on the last sea-going paddle steamer in the world.

Exhibition profits fall

By Michael Blandin

TRADING PROFITS of the National Exhibition Centre at Birmingham fell £1.5m. to just over £2m. for the current financial year ending in March.

Fire research approved

By Guy Huxford

A FIRE research centre in Warrington has been granted approval to carry out tests to make homes, work and public buildings less of a fire hazard.

Museum plan

By Michael Blandin

TELFORD Development Corporation, Salop, is seeking Government approval to rehouse and expand the ironfoundry museum at Coalbrookdale, birthplace of the iron and steel industry. It is hoped the new museum will be open by the middle of next year.

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Saturday February 4 1978

Expectations trimmed

BOTH EQUITIES and gilt-edged have had another poor week with three factors, in particular, depressing investment confidence. First, the Government's efforts to keep down the average level of pay settlements and prevent the rate of inflation from beginning to rise at the end of this year are again being put to the test. The miners and power workers have this week rejected the initial offers made to them, there has been a renewed outcry on the political front against the Government's threat to penalise firms which it chooses to regard as having offended seriously against its policy of restraint, and the matter is now up for legal review.

Secondly, following the firm action taken by the Bank of England at the end of last week to discourage another fall in Minimum Lending Rate, there have been some anxious discussions in the City about the scope for reconciling sizeable tax cuts in the coming Budget with adequate control of the money supply. It is being suggested that either the Chancellor should not reduce taxes by the full amount made possible by the likely shortfall in the public borrowing requirement or that subsequent control of the money supply will involve rising interest rates and the rationing of credit. Third, the latest survey of industrial trends carried out by the Confederation of British Industry is far from cheerful.

Competitiveness

So far as general confidence in the business situation is concerned, admittedly, the survey shows little change from the one taken three months ago. What it does show, apart from the general sluggishness of demand and output, is that export prospects have become much less promising, with a sharp drop in export orders which itself seems to be closely connected with a weakening of U.K. price competitiveness in export markets. The only really cheerful aspect of the CBI survey is the continued buoyancy of industry's investment intentions—and that itself, which is apt to change quickly, may well represent an intention to invest in labour-saving equipment rather than one to expand capacity.

The latest CBI economic forecast is, if anything, more depressing than the survey on which it is partly based. It expects rising consumer demand and capital investment to make for a higher growth of output in the first half of this year, though probably without causing any significant drop in unemployment.

ment. After that, however, growth might well fall sharply and unemployment begin to rise again. The balance of payments surplus might begin to drop in the course of the year for a variety of reasons, despite higher production of North Sea oil, and the rate of inflation would begin to rise unless pay settlements after mid-year were substantially lower than in the present negotiating year. All this, it must be stressed, is on the assumption of unchanged policies—in particular, of no tax cuts in the coming Budget.

Efficiency

The pessimism of the CBI forecast would be easier for the markets to shrug off were it not for a noticeably similar recent decline in official optimism about the outlook. This seems to be principally due, so far as the immediate future is concerned, to a trimming back of earlier expectations about the growth of world trade and the scope for increasing U.K. exports. In the autumn it was believed that the economy would grow at a rate of 3½ per cent. In 1978 and that tax cuts could push the rate somewhat higher; now there is a greater tendency to believe that tax cuts will be needed even to achieve the 3½ per cent. figure.

But it is the period beyond the immediate future about which unofficial and official forecasters have recently become most worried. The Government may seek through fiscal and monetary policy to keep the economy growing at an average annual rate of 3½ per cent. But a Treasury official admitted to a Commons committee this week that this could still leave unemployment over 1m. in 1982 unless there is a marked improvement in industrial efficiency and that it could take the balance of payments quickly back into deficit. The paper read to the National Economic Development Committee by the Chancellor this week had a similar moral. Here the average growth rate of 3½ per cent. needed to bring about a gradual drop in unemployment was said to be conditional on an annual growth of world trade of around 8 per cent, and a future level of pay settlements well into single figures—both of which are slightly optimistic assumptions.

Anything more, however, would require not only these assumptions to be fulfilled but "a substantial improvement" in our industrial performance. It is this which the Government's industrial strategy is meant to bring about. The behaviour of the stock markets suggests some doubt that it will be brought about quickly.

Left in mid-air by the airports policy

BY MICHAEL DONNE, Aerospace Correspondent

THE WHITE PAPER on a preliminary way, of what airports policy this week to do beyond that.

This is what the White Paper does not do. Primarily, what it says is that it is intended to develop Heathrow to cope with 38m. passengers a year, beyond the 30m. capacity that current developments will produce: to take Gatwick from 16m. to 25m. passengers a year; to take Luton from 2m. to 5m.; and Stansted from the present 300,000 to 4m. These developments will yield a capacity for the London area of about 72m. passengers a year. This figure is itself only slightly above the White Paper's own "low" forecast of a traffic volume of 65.9m. passengers a year for the London area by 1990, and well below the "high" forecast of 89.4m. On the White Paper's own reasoning, therefore, even if all these developments are carried through, there will be possibly a marginal excess of capacity amounting to about 6m. passengers a year by 1990, but at the other end of the scale a possible shortfall of over 17m.

Beyond that, the White Paper does not go. All it says is that beyond 1990 there are certain options—a further major expansion of Stansted, to an undisclosed level but perhaps 10m. passengers a year; the development of some undisclosed military airfield as a civil airport, or the construction of an entirely new airport.

But the British Airports Authority points out that to take Stansted to 10m. will involve a "lead time" for all the necessary planning and consultation procedures of eight years; a period of ten years would be needed for converting a military airfield to civil use and 12 years for the development of a new airport from scratch. This means that in effect, the Government ought to take a firm policy decision between now and 1982 at the latest on what to do beyond 1990—and the earlier it takes such a decision, the better. In fact, it has so far opted out of any such decision, preferring instead to concentrate upon the piecemeal development of existing airports.

The latter decision, too, is bound to cause considerable controversy, because it appears to many to be ill-conceived in the way in which it spreads the burden of future air traffic development between the four airports involved. Many who live around Heathrow will argue that it is unreasonable to expect Heathrow, just because it is there and already highly developed, to cope with another 8m. passengers a year, who could be transferred elsewhere. Similarly, many residents round Gatwick believe strongly

that it is unfair to expect Gatwick to go from 16m. to 25m. when Stansted is only being asked to cope with 4m.

It is in this situation that the seeds of the possible destruction of the Government's strategy already have been sown. The White Paper suggests that Heathrow can go to 38m. if a fourth passenger terminal is built on the South-East side of the airport, but it then goes on to point out that this is subject to a Public Planning Inquiry, to meet the already strongly expressed environmental objections of the local communities around the airport. What the White Paper does not take into account in its strategic assumptions is what will happen if those objections are so strong that the Government is forced to say in a year or two, that there can be no fourth terminal at Heathrow. It has already

water supply, sewage disposal and other systems that will cost many millions of pounds to provide, beyond the £50m. or so that the actual terminal will cost. Similarly, at Gatwick, to push the capacity from 16m. to 25m. will impose immense and expensive burdens on the surrounding area that will utterly change the face and character of that part of the country.

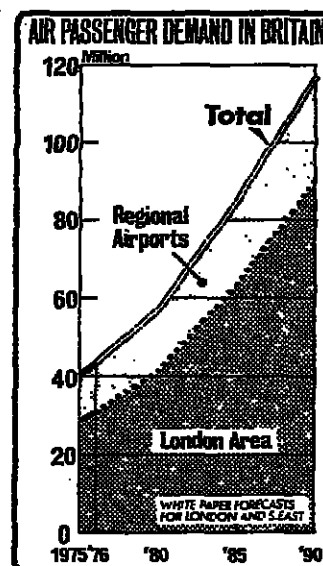
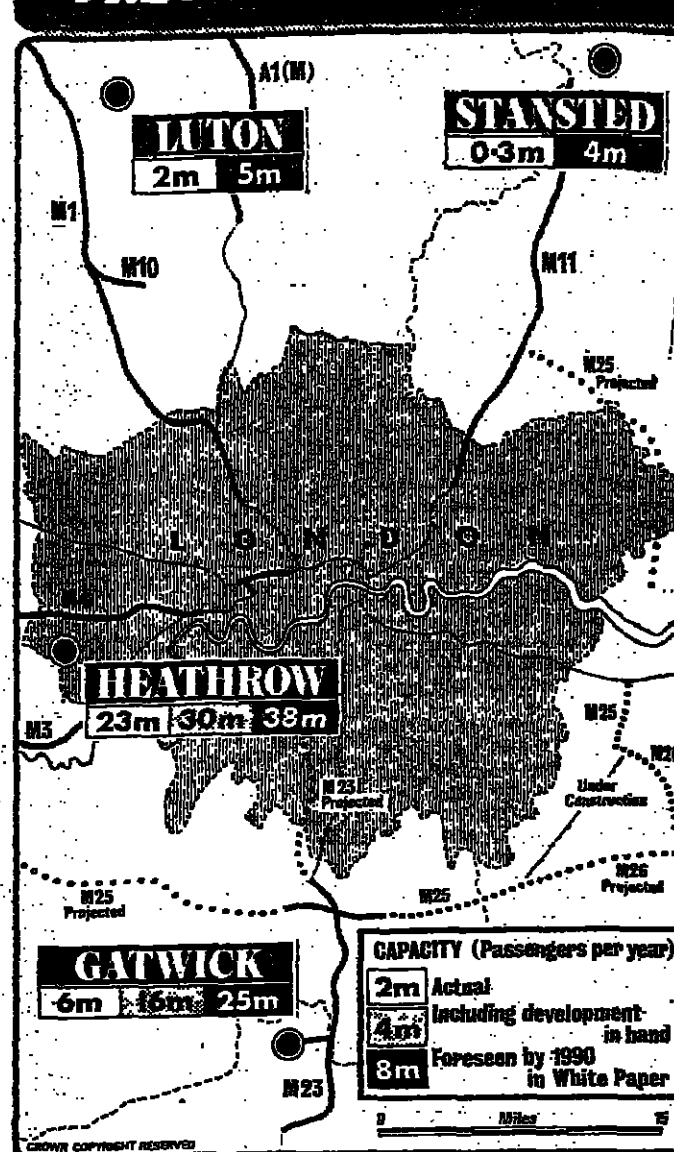
Where will all the additional passengers go, therefore, if they cannot use a fourth terminal at Heathrow, or expanded facilities at Gatwick. Most probably the Government would have to look more closely at the options so loosely defined in the White Paper, and at a much earlier date than is currently expected. One of these is the further expansion of Stansted to about 10m. passengers a year, which could be achieved within the existing airport boundary. The reaction even to the latter proposal by the local residents is predictably hostile. They can be expected to fight even more bitterly against any bigger plans.

But success might well this time elude them, for several reasons. One is that since their last successful fight, in the 1960s, the entire aviation situation has changed, and with it the attitudes of other communities. Residents around Heathrow and Gatwick, who earlier did not fight with too much conviction against what they regarded as the despoliation of their own environment, are now much better organised, much more articulate, much better briefed legally, technologically and politically, much more skilled at in-fighting, and no longer in any way intimidated by the big guns of Whitehall and Westminster. Moreover, they feel that they have right on their side, in that they believe it is contrary to natural justice to allow further development at Heathrow and Gatwick whilst Stansted remains comparatively unscathed in rural bliss.

Two other options

Clearly, the Stansted communities can be expected to be equally fiercely opposed to what they will feel to be an unnecessary encroachment on their own environment, and to resist any attempts to push that airport to 4m. let alone 10m. passengers a year. Whichever way it is looked at, therefore, the Government's airports strategy in so far as it concerns London and the South-East, will please very few, and is in for a tremendous battering. It is unlikely to emerge unscathed. Something will have to give, whether it is the fourth terminal for Heath-

LONDON AREA AIRPORTS PRESENT and FUTURE



Forecasting accuracy

The excuse for not going further is the difficulty of forecasting with any degree of accuracy future air traffic. Even the forecasts up to 1990 are widely spread—with a "low" of 65.1m. passengers a year throughout the whole of the country, and a "high" of 117.4m. For the London and South-Eastern region alone, the forecast spread is between 65.9m. and 89.4m. by 1990.

There is some justification for this. Even the British Airports Authority itself admits that its own projections of traffic growth made in 1972 were shattered by the oil crisis of 1973 and the subsequent industrial recession of 1974, which has bedevilled air transport worldwide ever since. But even allowing for this sort of disturbance, the aviation industry, both on the operating and manufacturing sides, believes that there will be continued further growth beyond 1990. Even if it is at a much lower annual rate than that now forecast (about 8 per cent. a year), the number of passengers will, of course, be much greater.

Add to this the long time that it now takes to get even a minor new airport development through all the conceptual, planning and environmental objections, and final Government decision-taking procedures, and it is argued that the U.K. ought to be thinking not just of what to do up to 1990, but, at least

Residents' argument

The latter decision, too, is bound to cause considerable controversy, because it appears to many to be ill-conceived in the way in which it spreads the burden of future air traffic development between the four airports involved. Many who live around Heathrow will argue that it is unreasonable to expect Heathrow, just because it is there and already highly developed, to cope with another 8m. passengers a year, who could be transferred elsewhere. Similarly, many residents round Gatwick believe strongly

rowing, the rise to 25m. passengers at Gatwick, or the further development at Stansted. This raises the question of what the Government can then do. The only possible answer is that it will have to study rather sooner than it expected the two other options it so loosely outlines in the White Paper for the period beyond 1990—the conversion of a military airfield, or even the development from scratch of a new airport.

The challenge is really inescapable. It has been so since the cancellation of Maplin in 1974—which temporarily shelved the problem of what to do about London's airports, but did not solve them. That explains why the Government has been obliged to go through one more exercise of producing a statement on policy. Even though the White Paper tries to shelve the problem again until 1990, it is bound to obtrude itself, either directly as a result of traffic growing more quickly than expected or indirectly because of the progressive collapse of various bits and pieces of the latest policy.

The British Airports Authority has suggested one possible way out. Mr. Norman Payne, the authority's chairman, this week suggested the creation of a major new Airports Policy Advisory Group. It would take over all the thinking and planning, and by creating a regularly-updated reservoir of study and analysis, would be able to short-circuit much of the current delay involved in disputes over environmental issues, and eliminate some of the agony of decision-taking.

This group, in the BAA's view, would comprise the authority itself (whose task is

Worth study

It is one of the brighter and more constructive long-term planning suggestions to emerge in this field for a long time past. If there is any objection, it is that it might place yet one more examining body between the problems and their solution, but the BAA thinks that this is not so, and that it could, if handled properly, make for faster and more coherent decision-taking than in the past. That remains to be seen, but in view of the immense difficulties that already can be seen to lie ahead for the policy as enunciated this week, it is worth at least serious and early study.

Letters to the Editor

Selfishness

From Mr. I. Grant.

Sir—One of the most justifiable attacks on western society must be aimed at the selfish over-exploitation of dwindling natural resources. It is often said that western man's consumption of many things from beef to steel is several times that of his counterparts in most of the third world.

Surely any revised tax system penalising excessive consumption would not only be fairer to those within our society, but also more just and socially responsible in a world wide context. If our political leaders are truly concerned with the plight of the developing nations, is it not time to consider such apparently national problems as personal taxation in a more open minded manner? I would find our ego-centric society more defensible if some pressure was brought to bear on the individual either to "pay through the nose" for his foreign colour TV, his sets, clothes from Savile Row or Rolls-Royces from Jack Barclay, for reasons beyond Professor Meade's desire (January 26) to permit the lower paid to accumulate savings along the lines of the rich.

We have often been reminded that our economy cannot be separated from the state of the rest of the world; should we not regard our tax system in a similar light?

I. S. Grant.

The Coppice,

Greetby Hill,

Ormskirk, Lancs.

Corporations

From Mr. F. Law.

Sir—I hope that David Curry's article "France's way with state industry" (January 26) will be read by every one of our Ministers as well as the members of the Opposition from bench.

It is extraordinary how much better the French Government seems to deal with its state corporations, and the example of Air France, which Mr. Curry quotes, is one which should be studied in depth. If our system

could be changed so that "arrangements à la Française" could be concluded, how happy the chairman and boards of our public sector companies would be! Of course, the French, realists that they are, know that, if for political reasons they must direct a state corporation to follow a "non-commercial course," a clearly defined compensation would have to be paid.

After many years serving as a part-time member on a state corporation board, I beg those responsible to spare the time and look what part of the French system could be adopted in the U.K. Not all is well in French if it is better.

F. S. Law.

61, Cadogan Square, S.W.1.

Reactors

From Mr. K. Wood

Sir—The comprehensive assessment of nuclear reactor safety is a complex inter-disciplinary activity involving several branches of engineering, physics, and metallurgy. The most extensive evaluation of accident risks yet made is the U.S. Nuclear Regulatory Commission's Reactor Safety Study of light-water reactors published in 1975 and known as the Rasmussen Report.

Table 5-2 of the Rasmussen main report summarises results of the study for pressurised-water reactors (PWR). Six accident categories are considered including reactor vessel rupture, and nine categories of radioactive release are listed for the worst predicted accident consequences following core melt. The contribution of reactor vessel rupture to the nine release categories, summed for all accidents, varies from 1 in 400 to 1 in 80,000. These results are subject to considerable uncertainty but do indicate that a reactor vessel rupture is not the most important initiating event in possible PWR accidents.

Rasmussen assured that reactor pressure vessels would be designed, manufactured, installed, inspected and tested to

the applicable codes of the American Society of Mechanical Engineers. These codes have been further developed since the study was carried out. The Marshall Report recommends that even higher quality standards should be employed in the U.K., and a corresponding reduction in accident risk would be expected.

Your report of January 11, that the Marshall Committee is to be reconvened, implies that further consideration will be given to the achievement of higher quality standards. Although the debate on possible vessel rupture provides an emotional outlet for the PWR protagonists, now we have a conditional approval from the Government for a British PWR shouldn't we give more attention to plant failure modes which start in a less spectacular manner but which Rasmussen has shown to present a much greater risk?

K. Wood.

26, Queensway, W.2.

Conferences

From Sir Derek Ezra,

European Trade Committee,

British Overseas Trade Board.

Sir—I was sorry to read the criticism of the Export Year conference held in Birmingham, in your diary column on January 27. Most of those who attended will agree with me that this was one of the most successful export presentations that have been seen, making very effective use of audio-visual techniques to analyse some major success stories in the export experience of British companies.

It has been a feature of these conferences that a balance is struck between the time allotted to presentation, formal discussion and informal discussion. Informal discussion has always been regarded as a significant and useful opportunity for the conference participants to meet one another, and to exchange their own export experiences. Furthermore a major speech was made during lunch by Mr. Joel Barnett. The criticism of the interludes between the formal sessions was entirely un-

warranted in my opinion as they were put to very good use.

Export Year received support far exceeding original expectations. It was extended because many more functions had to be accommodated than was possible in a single year. The impetus it achieved has meant that plans are now being discussed for a further phase. The extension of the campaign to 19 months, far from being a sign of ineffectiveness, arose from its very success.

Derek Ezra.

1 Victoria Street, S.W.1.

Fuels

From Mr. J. Goodland.

Sir—Mr. Buckley (January 28) misunderstands one of the several points I was making in my letter of January 12. I had suggested a "tax" (on) the non-premium uses of premium fuels... say, natural gas for space heating... as better than Professor Thring's general fuel tax.

He complains that this would affect one quarter of industry's total energy needs and 13.5m. domestic gas customers, thereby apparently admitting that little of the gas is sold for premium use! Mr. Buckley is well aware that solid fuel, for instance, is just as efficient as gas if used in modern appliances.

The gas industry keeps on claiming that natural gas is reserved for premium and load-balancing uses, so it should not object to a tax on non-premium uses, commensurate with the 2.5p/gallon duty on heating oils. John Goodland.

Down House,

Pyleigh, Taunton, Som.

Education

From Mr. D. Burke.

Sir—May I say how much I agree with Michael Dixon's comments (January 19) that university students in the U.K. should have to repay all or part of the cost of their higher education. I was unable to go to university but acknowledged that such further education was of value to the individual and generally benefited society when it was completed. In other words, there

was a value that was placed upon such education.

Nowadays university education seems to have been prostituted by the vast increase in quantity of places, by the apparent lowering of standards and by the very uselessness of the proliferation of Arts and Social Science courses being taken.

I do hope that Mr. Dixon's suggestion for repayable loans is taken up by some of our Parliamentarians who say that there is no room for cutting public spending!

David Burke.

St. Anthony's, 14, Widdow Road,

Roborough, Plymouth.

Sharing

From Mr. C. Benson.

Sir—Before we hear too much about profit sharing, ought not the point to be made that the advantages of profit sharing carry with them the singular disadvantages of loss bearing? If this is not realised by those who seek some advantage from the exercise, they will want it both ways—profit sharing but no loss bearing.

C. E. H. Benson.

Hawthorne Lodge,

Warton, Warrington, Lancs.

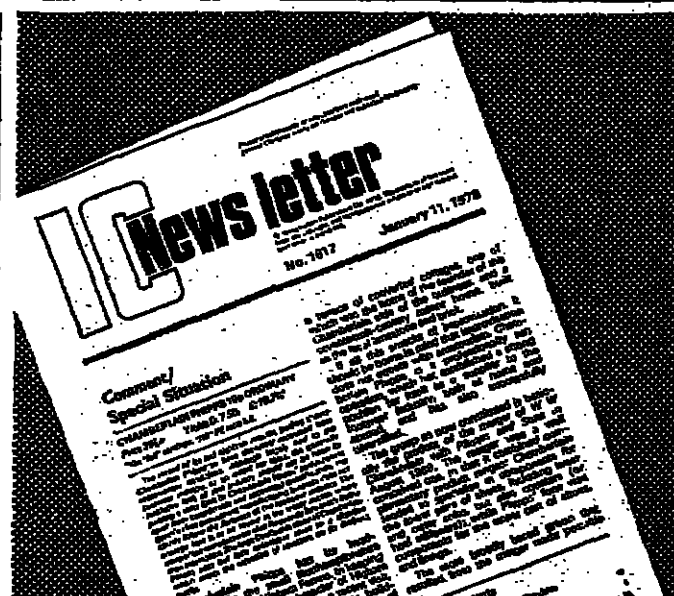
Nr. Shrewsbury.

Agnostic

From Mr. B. Inglis.

Sir—Describing me (January 26) as one of those people who have a longing to believe, C. P. Snow adds "not only such a longing, but a superlative capacity. He can believe nearly anything."

On the same day, as it happened, the Daily Mail's reviewer of Natural and Supernatural expressed the opinion that my not having taken up an attitude to the events described was "a weakness in the book." Weakness or no, the Mail's reviewer was right. I was, and am an unrepentant agnostic in connection with all the phenomena described. My function, it seemed to me, was to give the evidence. If Lord Snow can point to any K. B. Smith, place where I have allowed convictions, conscious or uncon-



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Financial Times Saturday February 4, 1978

Bright ideas from the deep freeze

By DAVID FISHLOCK, Science Editor

K. CHESTERTON, once living for Mountbatten in North America, is now in the United States on a quest to make use of a project called "The Ice, one of the world's most Plough: a 'snow-heap' which, abundant and least exploited even though it failed to sources. The writer's contribution materialise in time to help the on is acknowledged by no less war effort in ice-bound regions, a authority than Lord Zuckerman, found a role later in polar man, in the newly-published exploration. But the project photobiography of his years as a means learning much more maritime boffin, From Apes to about the mechanical and 'warlords'.

Ice is cheap and it doesn't had ever seemed necessary (because water swells before. These ice has certain similarities ively facts were enough for an with concrete—except that it is inventor called Geoffrey Pyke, about 100 times weaker. This ice late brother of Dr. Magnus seemed to be an insuperable yke (as seen on TV), who obstacle until researchers work- reamed up an idea so awe-inspiring for Pyke at the Brooklyn inspiring that he gave it the Polytechnic's 'Gold' Research name Habbakuk (sic), after the Laboratory discovered that if, prophet who had declared: "I instead of pure water, they froze ill work a work in your days a slurry of wood-pulp fibres, the hich ye will not believe, ice became ten times stronger ough it be told you." The prophet's name was misapplied, and a 232-page report fascinate Sir Winston Churchill yke wrote on the project, and —first, so it is said, in his bath, he mistake stuck.

Unsinkable

Habbakuk, as recalled by Lord Mountbatten, Pyke's patron during the Second World War, has the idea for using an iceberg as an unsinkable launch- ing in the Atlantic, either for anti-boat operations or as an un- fielded off north-west France in support of the invasion. Pyke's chief well enough to back conspicuously into his sport a quotation from one of hesterton's Father Brown li- sties, the many own his cigar and said care- ally, "It isn't that they can't see it, it's that they can't see a solution. It is that they can't see a new material which I would bodies such as the Lord Mount- like to put in your bath." ation, says Zuckerman, has floated, melting much more slowly than pure ice. Once Geoffrey Pyke had been work-

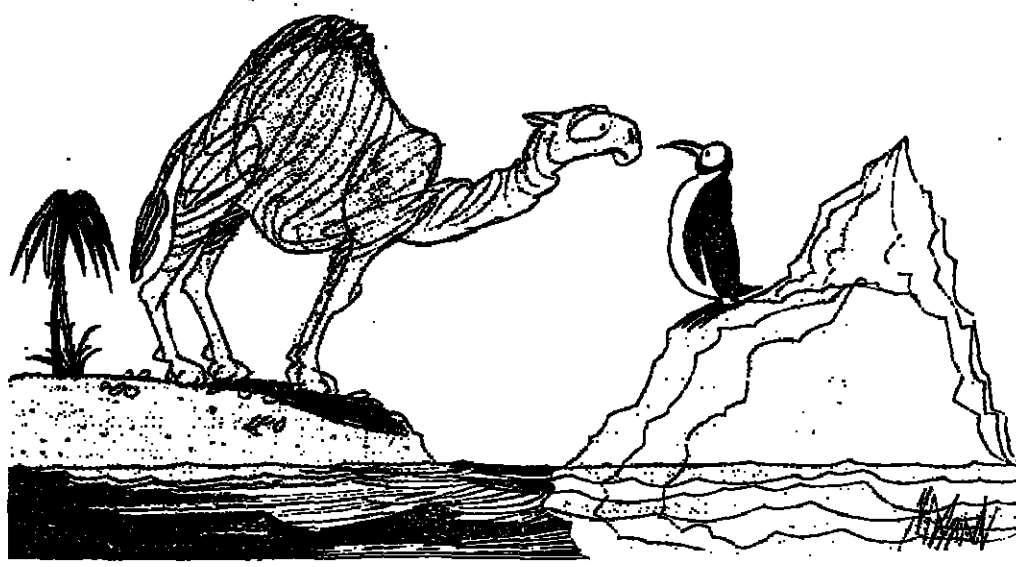
fibres were exposed, they in- sulated the bulk of the material."

Pykrete, as it had already been christened, effectively was a fibre-reinforced material of the same family as the high-duty carbon and glass-fibre re- inforced aircraft materials of today. Mountbatten released a brilliant young Cambridge glaciologist called Max Perutz— later to win a Nobel Prize for his work on the structure of proteins—to confirm the re- markable properties apparently enjoyed by Pykrete.

Pyke himself—"the kind of man who would never have rejected out of hand an idea, say, of freezing the clouds to make platforms for anti-aircraft guns," Lord Zuckerman writes drily—"was already dreaming of heroic works in Pykrete. His 55,000-word memorandum on Habbakuk envisaged unsinkable aircraft carriers of no nearly half-a-mile long, with hulls 30 feet thick. The test torpedo of its day could punch into it at most a crater 3 ft deep and 20 ft across, it was estimated. The carrier could, it was asserted, launch any aircraft flying or on the drawing board. Also envisaged were unsinkable freighters with the capacity of 80 Liberty ships and huge land- ing craft shaped like gondolas.

The Chesterton quotation was the spark that caused Pyke's fantasies to flare into the full-blown Habbakuk project. Secret laboratories were set up in cold stores beneath Smithfield, the meat market in London. A 1,000-ton experimental "berg" ship took shape in Canada, sheathed in timber, pitch and Vermiculite to insulate its hull of Pykrete from the sea.

But not all the top wartime boffins shared Mountbatten's



enthusiasm for the secret weapon. Neither Lord Cherwell, the Prime Minister's personal scientific adviser, nor Dr. (later Sir) Charles Goodeve, a senior adviser at the Admiralty, believed that even fortified ice was a credible construction material. "Goodeve's dampening comments angered Mountbatten considerably," Zuckerman com- ments, making it plain that he, too, was pretty sceptical about the idea. Goodeve himself, a few years after the war, wrote sardonically in a scientific journal of the "berg carrier" project that "by leaving the ice out, and converting the refrigeration tubing to ship's plates, the whole thing would have been able to go five times as fast."

Habbakuk, the world's most ambitious idea yet for using com- posite materials, melted away sometime during the Quebec Conference in 1943 (although some highways in the USSR are

reported to have been made of sea storage facilities and Pykrete). Mountbatten recalls that, of the two ideas taken seriously in Britain, that for a mid-Atlantic airfield from which to attack U-boats was pre- empted by a Portuguese Government decision to allow Britain to use the Azores; that for a floating fighter station to support the invasion was pre- empted by providing fighters with extra fuel capacity.

But icebergs retain their fasci- nation for those who see them as something man must try to control. The need for control is mainly a consequence of man's fast-increasing commercial and other interests in seas infested with icebergs. Wandering bergs, drifting unpredictably under the influences of winds and cur- rents, present an increasing hazard not only to shipping— which can take evasive action— but to permanent structures such as navigation buoys, drill- ing platforms, pipelines, sub-

marine cables and other struc- tures. The small bergs may be, but how unstable bergs may be. The small bergs may be, but how unstable bergs may be. The small bergs may be, but how unstable bergs may be.

"Knowledge of an iceberg's draft is essential for assessing its risk to underwater installa- tions, in predicting its drift, and for estimating its total bulk," began the report in Nature recently accompanying the pictures. The scientists described a radar technique they claimed "shows consider- able promise as a quick, safe and accurate means of sounding icebergs."

Last year, a company with an intimate interest in the accurate sounding of icebergs was set up by a Saudi Arabian prince, Ice- berg Transport International is the brainchild of Prince Mohammed Al-Faisal, the U.S.- educated businessman who was governor of Saudi Arabia's de- salination programme—a pro- gramme on which the Kingdom expects to spend £15bn. by 1981.

Development

Saudi Arabia, with an average rainfall of only four inches a year, is desperately short of fresh water to sustain its industrial and social develop- ment. Prince Faisal has been persuaded by a friend, Pro- fessor Abdo Hussainy, a nuclear engineer at Iowa State University, that the iceberg may be a more promising source of fresh water than massive stills for purifying seawater. At the first International Iceberg Conference held at the uni- versity last autumn he said his new company was negotiating a contract to tow a 100m-ton ice- berg from Antarctica to Saudi Arabia.

What at first sight seems to be wildly unlikely turns out to hold some hope when one considers the efforts an arid country must undertake to provide itself with abundant fresh water. The thinking has come a long way from the days when inventors thought they had only to plant sails on an iceberg and steer it into port. Enthusiasts to-day talk of using earth resources satellites to spot suitable ice- bergs, probably as they break free of Antarctica's Ross Ice Shelf. They speak of using radar and sonar to estimate their size, shape and stability more pre- cisely; of super-tugs for towing, and perhaps add-on engines and propellers for steering; and of wrap-around plastic coatings to prevent too much iceberg from melting en route.

Prince Faisal himself has talked of mounting paddle- wheels on an iceberg. He also believes that the presence of a huge icecube off the Saudi Arabian shore will have a pro- found influence upon the local weather, making it cooler and damper—much more conducive to work.

And the economics? Two French groups, independently, are carrying out the first studies. But the enthusiasts already draw comfort from a 1973 Rand Corporation study in the U.S., which estimates that fresh water from icebergs might be obtainable for only one-quarter of the cost of desalination. Like Lord Mountbatten in Habbakuk's day, Prince Faisal is patron of this unbelievable ice engineering project. This time, however, the problem—of providing copious fresh water supplies for rich, arid regions—is unlikely to go away.

*From Apes to Warlords, Hamish Hamilton, £7.95.

LABOUR NEWS

Tanker ban threat to price of food

By PAULINE CLARK, LABOUR STAFF

WARNING that food prices way to go before they run into trouble. The overall picture of the cumulative effects of the ban, and whether any particular areas are affected more than others, is not expected to become clear until at least mid-week.

So far, leaders of drivers in the Transport and General Workers' Union have shown little sign of organising a national work to demand for wage settlements which employers claim, are outside Government guidelines.

Shell reported that drivers in some areas are insisting on a driving more slowly. Esso believed the worst effects came from drivers refusing journeys which would involve overtime.

Years of more determined action by drivers and serious disruption to supplies could mount towards the end of next week. Union leaders still are not responding to reminders from individual companies that negotiating procedures have not been exhausted. A national shop stewards' meeting to review the effects of the ban is not expected to take place until the third week of this month.

Shell pointed out yesterday that its drivers were being asked to accept a 10 per cent basic increase with a productivity rise of another 4 per cent. If projected staff reductions are achieved.

Shipyard lay-offs reach 20% in overtime dispute

A FURTHER 91 men were laid-off yesterday at the six Butler ship repairers group which the Tyne, bringing the total laid-off to 812—about one-fifth of the workforce.

The lay-offs have been caused by a unilateral ban on overtime by boilermakers which began six days ago in pursuit of a wage claim.

Management stressed yesterday that it was impossible for them to obtain work for the labour force while the ban continued. The dispute is separate from the problems at Swan Hunter involv- ing out-fitters and boilermakers which led to the shipbuilding group losing its share of the multi-million pound Polish order.

Men at Brigham and Cowan, South Shields, have passed a vote

Public spending likely to show slight rise

By PETER RIDDELL, ECONOMICS CORRESPONDENT

THE SHARE of public spending in the economy as a whole is expected to rise slightly in the next financial year after dropping sharply since 1976.

The ratio of public expenditure to gross domestic product is likely to remain at about the recent lower levels until the early 1980s with no further significant decline.

These figures have been disclosed by Mr. Joel Barnett, the Chief Secretary to the Treasury, in a Commons written answer. This clarifies the question left unclear in last month's expenditure White Paper.

The Treasury then merely provided figures up to 1976-77 and indicated that the public spending ratio would be lower in later years than in 1976-77, though well above the level of the early 1970s.

The new figures from 1977-78 onward show the impact of the large recent underspending in the public sector. Thus the ratio of total public expenditure to gross domestic product at market prices is estimated to have declined from 44 to 42 per cent in the current financial year. This compares with a peak figure of 48 per cent in 1975-76.

If public spending is at the planned level in 1978-79, rather than below as recently, then the ratio to gross domestic product will rise from 42 to 43 per cent. This, principally, reflects the deviation of actual spending from the planned level. The intention is still to contain the growth of public spending within the projected expansion of the economy.

PUBLIC EXPENDITURE	Ratio to Gross Domestic Product at market prices %
1971-72	38
1972-73	39
1973-74	41
1974-75	45†
1975-76	46
1976-77	44†
1977-78	42
1978-79	43
1979-80	43
1980-81	42
1981-82	41

* Assuming government's expenditure plans, 3 per cent. annual growth in Gross Domestic Product from 1978-79 onwards. The esti- mated figures are in cash terms taking account of changes in relative prices. From 1979-80 onwards public sector prices are assumed to rise slightly faster than other prices.

Radical changes planned at London Transport

By LYNTON McLAIN, INDUSTRIAL STAFF

THE Conservative-controlled Greater London Council plans radical changes to London Transport, Mr. Horace Cutler, GLC leader, said after announce- ing that Mr. Kenneth Robinson, chairman of London Transport, would retire ten months early.

He will be replaced by Mr. Ralph Bennett, the present deputy chairman, whose place will be taken by Mr. John Stansby, a management consultant and former marketing manager with Shell-Mex and BP.

No previous London Transport chairman has been appointed by a Conservative-run GLC. "For the first time the Tories have the chairman they want," Mr. Cutler said.

Mr. Cutler, who was a critic of London Transport even before his party won control of County Hall last May, refused to disclose his plans last night. But they are sure to involve staff reductions and changes in bus routes.

There had to be "new atti- tudes and results," he said. Above all, he wanted cost effective- ness. The GLC had never known "precisely how its money

TO-DAY—Mrs. Margaret Thatcher addresses Conservative Party local government conference at Springhead for Victory, Caxton Hall, S.W.1.

MONDAY—Prime Minister in talks with CBI on Bullock Report and worker directors. Mr. Eric Varley, Industry Secretary, gives evidence on British Steel Corpora- tion to Select Committee on Nationalised Industries, House of Commons (in private). Mr. Gordon Richardson, Governor, Bank of England, and Mr. Roy Jenkins, President, European Commission, at Overseas Bankers Club banquet, Guildhall, E.C.2, Statement by Sir Leslie Murphy, chairman, National Enterprise Board on NEB policy. Mr. Edmund Dell, Secretary for Trade, and Mr. Edward Heath MP, at China and Britain trade

prospects conference, Royal Lan- caster Hotel, W.2. Mr. Ivor Richard, U.K. Permanent Repre- sentative at the U.N. speaks on Western Options in South Africa, Royal Commonwealth Society, W.C.2. Mr. Peter Parker, chairman, British Rail, guest speaker at Coal Industry Society luncheon, Hyde Park Hotel, S.W.1. Wholesale price index (Jan.-prov.). Housing starts, completions and renova- tion grants (Dec.). Hire purchase and other instalment credit business (Dec.).

TUESDAY—House of Commons debates Government industrial strategy—expected clash on pay From 1979-80 onwards public sector prices are assumed to rise slightly faster than other prices.

Orion Bank luncheon, Plaisterers' Hall, London W.2. E.C.2. U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Jan.). London clear- ing banks' monthly statement (mid-Jan.).

WEDNESDAY—TUC economic committee meets. Swan Hunter boiler-makers "fair wages" hear- ing. Central Arbitration Com- mittee, Newcastle. Mr. Roy Mason, Northern Ireland Secretary, addresses CBI conference on In- vestment in Northern Ireland. 21. Finished steel consumption and stock changes (4th qtr.-prov.).

FRIDAY—Building Societies' re- ceipts and loans (Jan.). Usable steel production (Jan.).

Sadat of Egypt, arrives in U.K. for talks with Prime Minister. Mr. Denis Healey, Chancellor of the Exchequer, talks with senior representatives of British Insti- tute of Management, NUM national executive meets. Confederation of Shipbuilding and Engineering Unions meets on pay. Water supply industry pay talks. Mr. Gordon Richardson gives Maie Lecture on Reflections on Con- duct of Monetary Policy, City University, E.C.1. Central Govern- ment financial transactions (in- cluding borrowing requirement) (Jan.). Provisional figures of vehicle production (Jan.).

"SOMETIMES, MISS WARD, I DON'T THINK YOU LISTEN TO A WORD I SAY."

Research carried out by the University of Columbia on the effects of noise, discovered that a typist "wastes 20% of all her available energy simply fighting the noise — an executive loses 50%."

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handicap doesn't just lead to wasted energy, but frustration, and in turn, an almost certain decline in productivity.

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NUBE chief takes up Channel Islands case

MR. LIEF MILLS, general secre- tary of the National Union of Bank Employees, is to visit the Channel Islands next week to press for separate pay negotia- tions for members in the islands.

About 200,000 clearing banks staff in Britain are due for their next pay settlement in July.

The union said that although there was plenty of time to pre- pare negotiations for a Phase 3 settlement, it was hoped to get Bank workers in both areas are not subject to the Government's pay policies, and it is claimed in time for the summer.

State chiefs' pay hint

BY OUR PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT accepts that it must get to correct, as soon as it can, the "serious anomaly" created by the pay of the chairmen and board mem- bers of nationalised industries. Mr. Charles Morris, Minister for the Civil Service, told the Com- mons yesterday.

The Government believed that the 10 per cent increase for board members and chair- men earning under £13,000 a

Further losses by Hardys Furnishers

Vaux in a position to push up spending

Colonial Securities

Results due next week

Company

FINAL DIVIDENDS

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First American Securities Corporation

Claverhouse Investment Trust

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Scottish Agricultural Industries

Tape

Thruppe Investment Trust

Trust Houses' Party

INTERIM DIVIDENDS

Assan Investments

Brown Brothers

Burgess

Cannock-Tyrol

by Wintrust

next week

Un- mune- ment due	Dividend (p)		This year Int.	Company	A
	Last year Int.	Final			
Friday	0.35	1.25	0.61	Decca	T
Monday	—	NH	—	Dunlop Corp.	T
Friday	1.0	1.62	1.0	M. Holdings	T
Monday	—	3.2	1.1	Alca	T
Friday	—	1.5	1.42	Benjamin Priest and Sons (India)	T
Monday	0.63	2.73	2.75	William Ramsden and Son	T
Friday	—	73	—	Polystyrene	T
Monday	—	7.7	8.15	Vibrant Holdings	T
Friday	—	7.7	0.0	Vicinity Construct	T
Monday	1.75	5.18	—	S. W. Wood Corp.	T
Friday	0.28	4.84	—		T
Monday	—	6.7	5.0		T
Friday	—	50	0.4		T
Monday	0.6	4.6	—		T
Friday	1.75	5.6	2.23		T
INTERIM FIGURES ONLY					
Friday	—	7.0	—	Chilton Investments	T
Monday	0.7	1.174	—	Munich Suppliers	T
Friday	1.13	1.215	—	Rosenbach Company	T
Monday	0.6	2.636	—	United Divisions Trust	T
Friday	—	7.0	—		T

* Dividends shown net, before tax share.
 † Includes special dividend of 1.00.
 ‡ Includes second interim of 0.75. \$ later.

... ..

had been voted in favour of the meeting, and that he would send round as many as were necessary to make up the difference on

0
0
b

Dividend pay	Last year		This year
	Int.	Final	
Monday	1.98	2.43	
Tuesday	1.615	2.243	
Wednesday	1.18	2.7	
Thursday	1.884	2.352	
Friday	1.858	1.756	
Saturday	1.5	2.31	
Sunday	2.373	5.91	
Monday	0.778	0.821	
Tuesday	1.398	2.599	

and adjusted for any intervening scrip
 1. Second interim in lieu of final.
 2. of 0.89 already paid. Second interim.

profit levels could well be turnover of £18.3m.

Trading profit for the year was 10 per cent. higher at £1.28m. £700,000 with completion due on

deposit pending clarification of the company's right to subscribe to the capital gains tax position, Convertible Loan Notes in the company. This amount together

of £75 which included associates' shares of £109,000. Turnover was from £54.4m to £59.6m. At mid-year a profit of £240,000 was made, £99,000 of which was after a tax credit of £2,000. (4.0%), minorities of £4,000 (me) and extraordinary charges of £865,000 (£360,000) the deficit reserves is £210,000 (£106,000). The loss per share is £0.05. The loss per share is £0.05. The last payment was 0.2p net 1973-74.

The directors point out that the results show a trading profit on exceptional items for the first time in four years. As the European property companies have ceased trading, it is

companies will be annexed to the accounts.

Full provision has been made in the consolidated accounts for all terminal losses and the investment in the companies has been written off. The former managing agents of the Belgian subsidiaries and proceedings have been instituted against them.

The investment in the associated company, Armour Edgworth, has been written off and provision made in the accounts against advances made to that company.

The extraordinary charges of £232,000 related to the decisions made in respect of the European property companies and the associated company.

Plenty of choice for investors

mid 1977 have proved remark-
ably resistant to the December

CLARKE NICHOLLS **STRONG & FISHER**
STRONG AND FISHER is to acquire Mullins (Dudman) hide

the stake in Clarke Nicholls 31. 1876 the date of the last

TALBEX GROUP

The Middle East interests which have taken a 28 per cent stake in the Talbex Group, the small oil company in the Congo, which is bidding for James Watson & Co. shares, are consolidating their representations on the Board. Following the appointments in number of three men representing WoBoCo Trust (the investment company), the chairman, James Watson, for Middle Eastern interests and WoBoCo's merchant adviser Artec Bank, comes of a fourth appointment. A new member of the Board is the former Secretary, Director General One of the Congo. The interests was the deputy

facturer of transfer games for an undisclosed sum. Along with Sodetec, which employs 50 people in Congo, Letratex has reached agreement with Gillette of Boston to support the company's increasing interest in the transfer game field.

It is expected that as a result of these arrangements Letratex's turnover from consumer products will double from £12m. to £25m. per annum.

ASSOCIATES DEALS

W. I. Carr Sons and Co. has purchased on behalf of Charterhouse Japhet, advisers to Coral Leisure Group, 250,000 Ordinary Shares of £1 each at 80p and 100,000 Preference Shares of 20p.

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WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Mixed on interest rate jitters

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 3

A MIXED TREND developed on Wall Street today, when interest rate jitters and concern over slumping car sales frustrated several rally attempts.

The Dow Jones Industrial Average finished 4.30 down at 770.88, reducing its rise on the week to 6.76, while the NYSE All Common Index, at 549.72, shed 20 cents on the day but still up 95 cents on the week. Gains led losses, however, by 677 to 662, while the trading volume fell 3.6m. shares to 19.4m.

Investors were worried about another big jump in Weekly Money Supply, putting a squeeze on the Federal Reserve to tighten credit further. The Fed said that Basic Money Supply M1 rose another \$700m. in the week ended January 25, while M2 jumped \$1.2bn.

In the economic news, the

during the last ten days in January. General Motors shed \$1 to \$383 on a 7.6 per cent drop in sales. Ford also lost \$1 to \$411 on "flat" sales, while Chrysler lost \$1 to \$317.

Texas Instruments dropped \$4 to \$691-fourth quarter earnings were slightly higher but profit margins declined during the period.

Marshall Field rose \$1 to \$344 on the Carter Hawley Hale bid.

THE AMERICAN SE Market Value Index eased 0.02 to 122.78, reducing its rise on the week to 1.94.

OTHER MARKETS

Canada up again

Canadian Stock Markets made further slight headway in moderate trading yesterday, with the Toronto composite index up 0.9 to 1,007.5.

The Metals and Minerals Index rose 0.3 to 820.4. Golds 3.4 to 1,233.2. Utilities 0.3 to 160.23 and Banks 0.88 to 231.05. But Oil and Gas lost 4.4 to 1,357.8 and Papers eased 0.21 to 93.19.

PARIS—Shares continued to ease in quiet trading. Market remained undermined by further weakness of franc and higher domestic Money Market rates.

U.S. and German shares firmer. Dutch, Oil and Canadian issues maintained. Golds also maintained. Coppers irregular.

AMSTERDAM—Prices eased on

dollar weakness. Internationals led lower by Royal Dutch, which shed 0.03.

In Bank ABN gained FI150 and ANRO 20 cents.

COPENHAGEN—Lower in very active dealings. Banks little changed. Communications, Industrials, Shipbuilding and Industrials all down.

GERMANY—Prices continued firmer in quiet markets, with renewed nervousness on Foreign Exchange Markets having little impact.

MAN up DM320, led Engineers higher. Motors put on up to DM13.5. Leading Chemicals steady. Electricals narrowly mixed. Banks higher. Stores barely maintained.

Public Authority Bonds gained up to 20 pennies, with Regulating Authorities selling D814.5m. nominal of stock. Mark Foreign Loans steady.

OSLO—Industrials, Insurances and Shippings quiet. Bankings slightly firmer.

SWITZERLAND—Generally firmer, despite weaker dollar. There was strong buying interest in high yielding stocks. Other firmer spots in Financials included Forbo and Uesgo.

Leu markedly higher among leading Banks despite its unchanged 1977 dividend. Oerlikon Buehrle up Frs.10 to Frs.24.55 on its dividend increase.

Industrial sector witnessed strong buying.

SPAIN—Virtually unchanged, although Utilities moved above

Vienna—Little changed. Steady gains on its terms for capital increase.

MILAN—Moved to lower in thin dealings, reflecting continued uncertainty over political situation. Liquigas Group stocks improved while Olivetti Privately marginally higher in depressed Industrials.

Financials mixed. Bonds quietly steady.

JOHANNESBURG—Gold shares steadier towards close following higher bullion indications.

Financial Minings mixed in quiet trading. Other Metals and Minerals lower in slack dealings. Industrials quietly mixed.

HONG KONG—Firm on technical buying.

TOKYO—Mixed to slightly lower. Volume 330m. (same).

Some Blue Chips and Export Oriented Electricals, Vehicles rose, while Steels, Textiles and Chemicals fell on profit-taking.

AUSTRALIA—Selectively

BHP held unchanged at \$45.35 ahead of its interim results.

Bank of New South Wales rose 4 cents to 5.14 and CBA gained 5 cents to 1.67 on improved 1977 half year results. Other Banks steady on cuts in interest rates. Properties firm. Lead Lease up 2 cents to 3.30 on slightly higher first half year profits.

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OVERSEAS SHARE INFORMATION

NEW YORK		Stock		Feb. 3		Feb. 2		Stock		Feb. 3		Feb. 2		Stock		Feb. 3		Feb. 2	
Stock	Feb. 3	Feb. 2	Stock	Feb. 3	Feb. 2	Stock	Feb. 3	Feb. 2	Stock	Feb. 3	Feb. 2	Stock	Feb. 3	Feb. 2	Stock	Feb. 3	Feb. 2	Stock	Feb. 2
Abbott Labs	51 1/2	51 1/2	Comstock	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Admiral	41 1/2	41 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Air Products	24 1/2	24 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Alcoa	43 1/2	43 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
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Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
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Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/2	19 1/2	Corning Glass	48 1/2	48 1/2	Johnson & Johnson	28 1/2	28 1/2	Merck	41 1/2	41 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2	18 1/2	Wendover	18 1/2
Allegheny Corp	19 1/																		

FINANCIAL TIMES STOCK INDICES

new list of the constituents
ers, The Financial Times,
has replaced by MacDonald Martin Dineen
(Wines and Spirits).

AUTHORISED UNIT TRUSTS

[illegible]

Compound Growth	94.4	181.5	+0.8	4.0%
Conversion Growth	97.1	20.4	+0.1	0.5%
Conversion Inc.	25.5	63.3	-	-
Dividend	110.2	217.7	+0.1	0.0%
(Accum. Units)	204.3	217.4	-2.4	-0.3%
Shareholder	60.6	60.6	-	-
(Accum. Units)	65.7	65.9	-0.2	-0.3%
Extra Yield	81.7	87.0	-0.4	-0.5%

and Low Index

Index Limited 01-351 3466. May Cocoa 1448-1456

Amount Road, London SW10 0HS.

Scotish Equitable Fnd. Mgrs. Ltd.
38 St. Andrews Sq, Edinburgh. Tel. 368 910

[illegible]

CORAL INDEX: Close 456.461			
Account Value	257.1	29.7	-0.3
Inventory	78.5	8.1	-0.7
Account Value	7.4	0.9	-0.1
Second Fund	154.3	24.5	-1.1
Account Value	20.0	2.6	-0.2
Special	147.2	1.6	-0.2
Account Value	5.0	0.2	-0.1
STEWART UNIT TR. MANAGERS Ltd.			
45, Churchill Sq., Edinburgh	031-228-3571		
STEWART AMERICAN FUND			
Standard Units	53.9	57.9	1.7
Account Value	1.0	0.1	-0.1

[illegible]

St. George's Way, St. George's Growth Units.....	0438 58101 59/- 1.81 4.85	Target Test. Mgrs. Ltd. (A)G 21, Graham St. EC2	144.9 34.65 Dealing: EC26 59 50
Mayflower Management Co. Ltd. 54/18 Graham St., EC2A 7AL Units 25 110.7	01-535 5900 31.65 7.61	Target Community Target Financial Target Equity	125.5 21.25 125.5 21.25 125.5 21.25

[illegible][illegible]

FREIGHT TRANSPORT SYSTEMS February 20			Tyndall Managers Ltd.		
TYRES March 10			18, Canage Road, Bristol.		
SPECIALIST CARS March 17			Income Tax		
VEHICLE FINANCE AND LEASING April 12			(Acum. Units)		
TRAILERS May 24			(Acum. Units)		
EUROPEAN VEHICLE COMPONENTS June 6			Exempt Jan. 25		
VANS AND LIGHT TRUCKS July 20			(Acum. Units)		
COMMERCIAL VEHICLES September 25			Canage Feb. 1		
THE MOTOR INDUSTRY October 16			Int. Expt. Feb. 1		
			Stock Exp. Feb. 1		
			(Acum. Units)		
			Canage Feb. 1		
			Int. Expt. Feb. 1		
			Stock Exp. Feb. 1		
			(Acum. Units)		
			Canage Feb. 1		
			Int. Expt. Feb. 1		
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			(Acum. Units)		
			Canage Feb. 1		
			Int. Expt. Feb. 1		
			Stock Exp. Feb. 1		
			(Acum. Units)		
			Canage Feb. 1		
			Int. Expt. Feb. 1		
			Stock Exp		

Detailed synopses are available prior to the publication date and for further details on these and advertising rates please contact Richard Willis Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY. Tel: 01-245 8000 Ext. 7063. Telex: 885032 FINTIM G.

P.O. Box 4, Norwich, NRI LING.	0603 22280	Ulster Bank	0209 3855
Group Td. Fd.	029 9 573 54/5	Waring & Gort, Belfast	0209 3855
Pearl Trust Managers Ltd.	(0406) 61-405 9441	Guthrie & Co., Ltd.	0209 421 421
232 High Baboon, WCVI 7EB		Units Trust Account & Mgmt. Ltd.	01 625 495
		Unit Trusts Fd. 0209 88 98	01 625 495

[illegible]

OFFSHORE AND OVERSEAS FUNDS

Capital Securities (C.I.) Limited
 290, 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, 400, 410, 420, 430, 440, 450, 460, 470, 480, 490, 500, 510, 520, 530, 540, 550, 560, 570, 580, 590, 600, 610, 620, 630, 640, 650, 660, 670, 680, 690, 700, 710, 720, 730, 740, 750, 760, 770, 780, 790, 800, 810, 820, 830, 840, 850, 860, 870, 880, 890, 900, 910, 920, 930, 940, 950, 960, 970, 980, 990, 1000, 1010, 1020, 1030, 1040, 1050, 1060, 1070, 1080, 1090, 1100, 1110, 1120, 1130, 1140, 1150, 1160, 1170, 1180, 1190, 1200, 1210, 1220, 1230, 1240, 1250, 1260, 1270, 1280, 1290, 1300, 1310, 1320, 1330, 1340, 1350, 1360, 1370, 1380, 1390, 1400, 1410, 1420, 1430, 1440, 1450, 1460, 1470, 1480, 1490, 1500, 1510, 1520, 1530, 1540, 1550, 1560, 1570, 1580, 1590, 1600, 1610, 1620, 1630, 1640, 1650, 1660, 1670, 1680, 1690, 1700, 1710, 1720, 1730, 1740, 1750, 1760, 1770, 1780, 1790, 1800, 1810, 1820, 1830, 1840, 1850, 1860, 1870, 1880, 1890, 1900, 1910, 1920, 1930, 1940, 1950, 1960, 1970, 1980, 1990, 2000, 2010, 2020, 2030, 2040, 2050, 2060, 2070, 2080, 2090, 2100, 2110, 2120, 2130, 2140, 2150, 2160, 2170, 2180, 2190, 2200, 2210, 2220, 2230, 2240, 2250, 2260, 2270, 2280, 2290, 2300, 2310, 2320, 2330, 2340, 2350, 2360, 2370, 2380, 2390, 2400, 2410, 2420, 2430, 2440, 2450, 2460, 2470, 2480, 2490, 2500, 2510, 2520, 2530, 2540, 2550, 2560, 2570, 2580, 2590, 2600, 2610, 2620, 2630, 2640, 2650, 2660, 2670, 2680, 2690, 2700, 2710, 2720, 2730, 2740, 2750, 2760, 2770, 2780, 2790, 2800, 2810, 2820, 2830, 2840, 2850, 2860, 2870, 2880, 2890, 2900, 2910, 2920, 2930, 2940, 2950, 2960, 2970, 2980, 2990, 3000, 3010, 3020, 3030, 3040, 3050, 3060, 3070, 3080, 3090, 3100, 3110, 3120, 3130, 3140, 3150, 3160, 3170, 3180, 3190, 3200, 3210, 3220, 3230, 3240, 3250, 3260, 3270, 3280, 3290, 3300, 3310, 3320, 3330, 3340, 3350, 3360, 3370, 3380, 3390, 3400, 3410, 3420, 3430, 3440, 3450, 3460, 3470, 3480, 3490, 3500, 3510, 3520, 3530, 3540, 3550, 3560, 3570, 3580, 3590, 3600, 3610, 3620, 3630, 3640, 3650, 3660, 3670, 3680, 3690, 3700, 3710, 3720, 3730, 3740, 3750, 3760, 3770, 3780, 3790, 3800, 3810, 3820, 3830, 3840, 3850, 3860, 3870, 3880, 3890, 3900, 3910, 3920, 3930, 3940, 3950, 3960, 3970, 3980, 3990, 4000, 4010, 4020, 4030, 4040, 4050, 4060, 4070, 4080, 4090, 4100, 4110, 4120, 4130, 4140, 4150, 4160, 4170, 4180, 4190, 4200, 4210, 4220, 4230, 4240, 4250, 4260, 4270, 4280, 4290, 4300, 4310, 4320, 4330, 4340, 4350, 4360, 4370, 4380, 4390, 4400, 4410, 4420, 4430, 4440, 4450, 4460, 4470, 4480, 4490, 4500, 4510, 4520, 4530, 4540, 4550, 4560, 4570, 4580, 4590, 4600, 4610, 4620, 4630, 4640, 4650, 4660, 4670, 4680, 4690, 4700, 4710, 4720, 4730, 4740, 4750, 4760, 4770, 4780, 4790, 4800, 4810, 4820, 4830, 4840, 4850, 4860, 4870, 4880, 4890, 4900, 4910, 4920, 4930, 4940, 4950, 4960, 4970, 4980, 4990, 5000, 5010, 5020, 5030, 5040, 5050, 5060, 5070, 5080, 5090, 5100, 5110, 5120, 5130, 5140, 5150, 5160, 5170, 5180, 5190, 5200, 5210, 5220, 5230, 5240, 5250, 5260, 5270, 5280, 5290, 5300, 5310, 5320, 5330, 5340, 5350, 5360, 5370, 5380, 5390, 5400, 5410, 5420, 5430, 5440, 5450, 5460, 5470, 5480, 5490, 5500, 5510, 5520, 5530, 5540, 5550, 5560, 5570, 5580, 5590, 5600, 5610, 5620, 5630, 5640, 5650, 5660, 5670, 5680, 5690, 5700, 5710, 5720, 5730, 5740, 5750, 5760, 5770, 5780, 5790, 5800, 5810, 5820, 5830, 5840, 5850, 5860, 5870, 5880, 5890, 5900, 5910, 5920, 5930, 5940, 5950, 5960, 5970, 5980, 5990, 6000, 6010, 6020, 6030, 6040, 6050, 6060, 6070, 6080, 6090, 6100, 6110, 6120, 6130, 6140, 6150, 6160, 6170, 6180, 6190, 6200, 6210, 6220, 6230, 6240, 6250, 6260, 6270, 6280, 6290, 6300, 6310, 6320, 6330, 6340, 6350, 6360, 6370, 6380, 6390, 6400, 6410, 6420, 6430, 6440, 6450, 6460, 6470, 6480, 6490, 6500, 6510, 6520, 6530, 6540, 6550, 6560, 6570, 6580, 6590, 6600, 6610, 6620, 6630, 6640, 6650, 6660, 6670, 6680, 6690, 6700, 6710, 6720, 6730, 6740, 6750, 6760, 6770, 6780, 6790, 6800, 6810, 6820, 6830, 6840, 6850, 6860, 6870, 6880, 6890, 6900, 6910, 6920, 6930, 6940, 6950, 6960, 6970, 6980, 6990, 7000, 7010, 7020, 7030, 7040, 7050, 7060, 7070, 7080, 7090, 7100, 7110, 7120, 7130, 7140, 7150, 7160, 7170, 7180, 7190, 7

INSURANCE, PROPERTY, BONDS

[illegible]

NOTES

Includes premium, except where indicated otherwise. Premiums are in pence unless otherwise stated. % shown in last column indicates expense. Offered price means: * Today's price; ** on offer price; † Estimated offer price; ‡ Illustration free. Period: premium insurance single premium insurance. Includes all expenses except commission. Offered price includes: † brought through manager's price. ‡ Net of tax or gains unless indicated by asterisk. * Suggested. † Field. ‡ Ex-subdivision.

INDUSTRIALS—Continued

INDUSTRIAL (Miscel.)		1977-78		1976-77		1975-76		1974-75		1973-74		1972-73		1971-72		1970-71		1969-70		1968-69		1967-68		1966-67		1965-66		1964-65		1963-64		1962-63		1961-62		1960-61		1959-60		1958-59		1957-58		1956-57		1955-56		1954-55		1953-54		1952-53		1951-52		1950-51		1949-50		1948-49		1947-48		1946-47		1945-46		1944-45		1943-44		1942-43		1941-42		1940-41		1939-40		1938-39		1937-38		1936-37		1935-36		1934-35		1933-34		1932-33		1931-32		1930-31		1929-30		1928-29		1927-28		1926-27		1925-26		1924-25		1923-24		1922-23		1921-22		1920-21		1919-20		1918-19		1917-18		1916-17		1915-16		1914-15		1913-14		1912-13		1911-12		1910-11		1909-10		1908-09		1907-08		1906-07		1905-06		1904-05		1903-04		1902-03		1901-02		1900-01		1899-00		1898-99		1897-98		1896-97		1895-96		1894-95		1893-94		1892-93		1891-92		1890-91		1889-90		1888-89		1887-88		1886-87		1885-86		1884-85		1883-84		1882-83		1881-82		1880-81		1879-80		1878-79		1877-78		1876-77		1875-76		1874-75		1873-74		1872-73		1871-72		1870-71		1869-70		1868-69		1867-68		1866-67		1865-66		1864-65		1863-64		1862-63		1861-62		1860-61		1859-60		1858-59		1857-58		1856-57		1855-56		1854-55		1853-54		1852-53		1851-52		1850-51		1849-50		1848-49		1847-48		1846-47		1845-46		1844-45		1843-44		1842-43		1841-42		1840-41		1839-40		1838-39		1837-38		1836-37		1835-36		1834-35		1833-34		1832-33		1831-32		1830-31		1829-30		1828-29		1827-28		1826-27		1825-26		1824-25		1823-24		1822-23		1821-22		1820-21		1819-20		1818-19		1817-18		1816-17		1815-16		1814-15		1813-14		1812-13		1811-12		1810-11		1809-10		1808-09		1807-08		1806-07		1805-06		1804-05		1803-04		1802-03		1801-02		1800-01		1799-00		1798-99		1797-98		1796-97		1795-96		1794-95		1793-94		1792-93		1791-92		1790-91		1789-90		1788-89		1787-88		1786-87		1785-86		1784-85		1783-84		1782-83		1781-82		1780-81		1779-80		1778-79		1777-78		1776-77		1775-76		1774-75		1773-74		1772-73		1771-72		1770-71		1769-70		1768-69		1767-68		1766-67		1765-66		1764-65		1763-64		1762-63		1761-62		1760-61		1759-60		1758-59		1757-58		1756-57		1755-56		1754-55		1753-54		1752-53		1751-52		1750-51		1749-50		1748-49		1747-48		1746-47		1745-46		1744-45		1743-44		1742-43		1741-42		1740-41		1739-40		1738-39		1737-38		1736-37		1735-36		1734-35		1733-34		1732-33		1731-32		1730-31		1729-30		1728-29		1727-28		1726-27		1725-26		1724-25		1723-24		1722-23		1721-22		1720-21		1719-20		1718-19		1717-18		1716-17		1715-16		1714-15		1713-14		1712-13		1711-12		1710-11		1709-10		1708-09		1707-08		1706-07		1705-06		1704-05		1703-04		1702-03		1701-02		1700-01		1699-00		1698-99		1697-98		1696-97		1695-96		1694-95		1693-94		1692-93		1691-92		1690-91		1689-90		1688-89		1687-88		1686-87		1685-86		1684-85		1683-84		1682-83		1681-82		1680-81		1679-80		1678-79		1677-78		1676-77		1675-76		1674-75		1673-74		1672-73		1671-72		1670-71		1669-70		1668-69		1667-68		1666-67		1665-66		1664-65		1663-64		1662-63		1661-62		1660-61		1659-60		1658-59		1657-58		1656-57		1655-56		1654-55		1653-54		1652-53		1651-52		1650-51		1649-50		1648-49		1647-48		1646-47		1645-46		1644-45		1643-44		1642-43		1641-42		1640-41		1639-40		1638-39		1637-38		1636-37		1635-36		1634-35		1633-34		1632-33		1631-32		1630-31		1629-30		1628-29		1627-28		1626-27		1625-26		1624-25		1623-24		1622-23		1621-22		1620-21		1619-20		1618-19		1617-18		1616-17		1615-16		1614-15		1613-14		1612-13		1611-12		1610-11		1609-10		1608-09		1607-08		1606-07		1605-06		1604-05		1603-04		1602-03		1601-02		1600-01		1599-00		1598-99		1597-98		1596-97		1595-96		1594-95		1593-94		1592-93		1591-92		1590-91		1589-90		1588-89		1587-88		1586-87		1585-86		1584-85		1583-84		1582-83		1581-82		1580-81		1579-80		1578-79		1577-78		1576-77		1575-76		1574-75		1573-74		1572-73		1571-72		1570-71		1569-70		1568-69		1567-68		1566-67		1565-66		1564-65		1563-64		1562-63		1561-62		1560-61		1559-60		1558-59		1557-58		1556-57		1555-56		1554-55		1553-54		1552-53		1551-52		1550-51		1549-50		1548-49		1547-48		1546-47		1545-46		1544-45		1543-44		1542-43		1541-42		1540-41		1539-40		1538-39		1537-38		1536-37		1535-36		1534-35		1533-34		1532-33		1531-32		1530-31		1529-30		1528-29		1527-28		1526-27		1525-26		1524-25		1523-24		1522-23		1521-22		1520-21		1519-20		1518-19		1517-18		1516-17		1515-16		1514-15		1513-14		1512-13		1511-12		1510-11		1509-10		1508-09		1507-08		1506-07		1505-06		1504-05		1503-04		1502-03		1501-02		1500-01		1499-00		1498-99		1497-98		1496-97		1495-96		1494-95		1493-94		1492-93		1491-92		1490-91		1489-90		1488-89		1487-88		1486-87		1485-86		1484-85		1483-84		1482-83		1481-82		1480-81		1479-80		1478-79		1477-78		1476-77		1475-76		1474-75		1473-74		1472-73		1471-72		1470-71		1469-70		1468-69		1467-68		1466-67		1465-66		1464-65		1463-64		1462-63		1461-62		1460-61		1459-60		1458-59		1457-58		1456-57		1455-56		1454-55		1453-54		1452-53		1451-52		1450-51		1449-50		1448-49		1447-48		1446-47		1445-46		1444-45		1443-44		1442-43		1441-42		1440-41		1439-40		1438-39		1437-38		1436-37		1435-36		1434-35		1433-34		1432-33		1431-32		1430-31		1429-30		1428-29		1427-28		1426-27		1425-26		1424-25		142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INSURANCE—Continued

[illegible]**PROPERTY—Continued**

	Stock	Price	↑	↓	Chg	Cov	Vol	P/E
76	Procter & Gamble	320	90	15.54	3.1	41.4		
77	Gen. Elec. & Fin. Co.	110	10	0.8	6.7	126		
78	Pro. Par. Ind.	68	6	1.3	6.2	218		
79	Pro. Par. Ind.	68	6	1.3	6.2	218		
80	Pro. Par. Ind.	68	6	1.3	6.2	218		
81	Pro. Par. Ind.	68	6	1.3	6.2	218		
82	Pro. Par. Ind.	68	6	1.3	6.2	218		
83	Pro. Par. Ind.	68	6	1.3	6.2	218		
84	Pro. Par. Ind.	68	6	1.3	6.2	218		
85	Pro. Par. Ind.	68	6	1.3	6.2	218		
86	Pro. Par. Ind.	68	6	1.3	6.2	218		
87	Pro. Par. Ind.	68	6	1.3	6.2	218		
88	Pro. Par. Ind.	68	6	1.3	6.2	218		
89	Pro. Par. Ind.	68	6	1.3	6.2	218		
90	Pro. Par. Ind.	68	6	1.3	6.2	218		
91	Pro. Par. Ind.	68	6	1.3	6.2	218		
92	Pro. Par. Ind.	68	6	1.3	6.2	218		
93	Pro. Par. Ind.	68	6	1.3	6.2	218		
94	Pro. Par. Ind.	68	6	1.3	6.2	218		
95	Pro. Par. Ind.	68	6	1.3	6.2	218		
96	Pro. Par. Ind.	68	6	1.3	6.2	218		
97	Pro. Par. Ind.	68	6	1.3	6.2	218		
98	Pro. Par. Ind.	68	6	1.3	6.2	218		
99	Pro. Par. Ind.	68	6	1.3	6.2	218		
100	Pro. Par. Ind.	68	6	1.3	6.2	218		
101	Pro. Par. Ind.	68	6	1.3	6.2	218		
102	Pro. Par. Ind.	68	6	1.3	6.2	218		
103	Pro. Par. Ind.	68	6	1.3	6.2	218		
104	Pro. Par. Ind.	68	6	1.3	6.2	218		
105	Pro. Par. Ind.	68	6	1.3	6.2	218		
106	Pro. Par. Ind.	68	6	1.3	6.2	218		
107	Pro. Par. Ind.	68	6	1.3	6.2	218		
108	Pro. Par. Ind.	68	6	1.3	6.2	218		
109	Pro. Par. Ind.	68	6	1.3	6.2	218		
110	Pro. Par. Ind.	68	6	1.3	6.2	218		
111	Pro. Par. Ind.	68	6	1.3	6.2	218		
112	Pro. Par. Ind.	68	6	1.3	6.2	218		
113	Pro. Par. Ind.	68	6	1.3	6.2	218		
114	Pro. Par. Ind.	68	6	1.3	6.2	218		
115	Pro. Par. Ind.	68	6	1.3	6.2	218		
116	Pro. Par. Ind.	68	6	1.3	6.2	218		
117	Pro. Par. Ind.	68	6	1.3	6.2	218		
118	Pro. Par. Ind.	68	6	1.3	6.2	218		
119	Pro. Par. Ind.	68	6	1.3	6.2	218		
120	Pro. Par. Ind.	68	6	1.3	6.2	218		
121	Pro. Par. Ind.	68	6	1.3	6.2	218		
122	Pro. Par. Ind.	68	6	1.3	6.2	218		
123	Pro. Par. Ind.	68	6	1.3	6.2	218		
124	Pro. Par. Ind.	68	6	1.3	6.2	218		
125	Pro. Par. Ind.	68	6	1.3	6.2	218		
126	Pro. Par. Ind.	68	6	1.3	6.2	218		
127	Pro. Par. Ind.	68	6	1.3	6.2	218		
128	Pro. Par. Ind.	68	6	1.3	6.2	218		
129	Pro. Par. Ind.	68	6	1.3	6.2	218		
130	Pro. Par. Ind.	68	6	1.3	6.2	218		
131	Pro. Par. Ind.	68	6	1.3	6.2	218		
132	Pro. Par. Ind.	68	6	1.3	6.2	218		
133	Pro. Par. Ind.	68	6	1.3	6.2	218		
134	Pro. Par. Ind.	68	6	1.3	6.2	218		
135	Pro. Par. Ind.	68	6	1.3	6.2	218		
136	Pro. Par. Ind.	68	6	1.3	6.2	218		
137	Pro. Par. Ind.	68	6	1.3	6.2	218		
138	Pro. Par. Ind.	68	6	1.3	6.2	218		
139	Pro. Par. Ind.	68	6	1.3	6.2	218		
140	Pro. Par. Ind.	68	6	1.3	6.2	218		
141	Pro. Par. Ind.	68	6	1.3	6.2	218		
142	Pro. Par. Ind.	68	6	1.3	6.2	218		
143	Pro. Par. Ind.	68	6	1.3	6.2	218		
144	Pro. Par. Ind.	68	6	1.3	6.2	218		
145	Pro. Par. Ind.	68	6	1.3	6.2	218		
146	Pro. Par. Ind.	68	6	1.3	6.2	218		
147	Pro. Par. Ind.	68	6	1.3	6.2	218		
148	Pro. Par. Ind.	68	6	1.3	6.2	218		
149	Pro. Par. Ind.	68	6	1.3	6.2	218		
150	Pro. Par. Ind.	68	6	1.3	6.2	218		
151	Pro. Par. Ind.	68	6	1.3	6.2	218		
152	Pro. Par. Ind.	68	6	1.3	6.2	218		
153	Pro. Par. Ind.	68	6	1.3	6.2	218		
154	Pro. Par. Ind.	68	6	1.3	6.2	218		
155	Pro. Par. Ind.	68	6	1.3	6.2	218		
156	Pro. Par. Ind.	68	6	1.3	6.2	218		
157	Pro. Par. Ind.	68	6	1.3	6.2	218		
158	Pro. Par. Ind.	68	6	1.3	6.2	218		
159	Pro. Par. Ind.	68	6	1.3	6.2	218		
160	Pro. Par. Ind.	68	6	1.3	6.2	218		
161	Pro. Par. Ind.	68	6	1.3	6.2	218		
162	Pro. Par. Ind.	68	6	1.3	6.2	218		
163	Pro. Par. Ind.	68	6	1.3	6.2	218		
164	Pro. Par. Ind.	68	6	1.3	6.2	218		
165	Pro. Par. Ind.	68	6	1.3	6.2	218		
166	Pro. Par. Ind.	68	6	1.3	6.2	218		
167	Pro. Par. Ind.	68	6	1.3	6.2	218		
168	Pro. Par. Ind.	68	6	1.3	6.2	218		
169	Pro. Par. Ind.	68	6	1.3	6.2	218		
170	Pro. Par. Ind.	68	6	1.3	6.2	218		
171	Pro. Par. Ind.	68	6	1.3	6.2	218		
172	Pro. Par. Ind.	68	6	1.3	6.2	218		
173	Pro. Par. Ind.	68	6	1.3	6.2	218		
174	Pro. Par. Ind.	68	6	1.3	6.2	218		
175	Pro. Par. Ind.	68	6	1.3	6.2	218		
176	Pro. Par. Ind.	68	6	1.3	6.2	218		
177	Pro. Par. Ind.	68	6	1.3	6.2	218		
178	Pro. Par. Ind.	68	6	1.3	6.2	218		
179	Pro. Par. Ind.	68	6	1.3	6.2	218		
180	Pro. Par. Ind.	68	6	1.3	6.2	218		
181	Pro. Par. Ind.	68	6	1.3	6.2	218		
182	Pro. Par. Ind.	68	6	1.3	6.2	218		
183	Pro. Par. Ind.	68	6	1.3	6.2	218		
184	Pro. Par. Ind.	68	6	1.3	6.2	218		
185	Pro. Par. Ind.	68	6	1.3	6.2	218		
186	Pro. Par. Ind.	68	6	1.3	6.2	218		
187	Pro. Par. Ind.	68	6	1.3	6.2	218		
188	Pro. Par. Ind.	68	6	1.3	6.2	218		
189	Pro. Par. Ind.	68	6	1.3	6.2	218		
190	Pro. Par. Ind.	68	6	1.3	6.2	218		
191	Pro. Par. Ind.	68	6	1.3	6.2	218		
192	Pro. Par. Ind.	68	6	1.3	6.2	218		
193	Pro. Par. Ind.	68	6	1.3	6.2	218		
194	Pro. Par. Ind.	68	6	1.3	6.2	218		
195	Pro. Par. Ind.	68	6	1.3	6.2	218		
196	Pro. Par. Ind.	68	6	1.3	6.2	218		
197	Pro. Par. Ind.	68	6	1.3	6.2	218		
198	Pro. Par. Ind.	68	6	1.3	6.2	218		
199	Pro. Par. Ind.	68	6	1.3	6.2	218		
200	Pro. Par. Ind.	68	6	1.3	6.2	218		
201	Pro. Par. Ind.	68	6	1.3	6.2	218		
202	Pro. Par. Ind.	68	6	1.3	6.2	218		
203	Pro. Par. Ind.	68	6	1.3	6.2	218		
204	Pro. Par. Ind.	68	6	1.3	6.2	218		
205	Pro. Par. Ind.	68	6	1.3	6.2	218		
206	Pro. Par. Ind.	68	6	1.3	6.2	218		
207	Pro. Par. Ind.	68	6	1.3	6.2	218		
208	Pro. Par. Ind.	68	6	1.3	6.2	218		
209	Pro. Par. Ind.	68	6	1.3	6.2	218		
210	Pro. Par. Ind.	68	6	1.3	6.2	218		
211	Pro. Par. Ind.	68	6	1.3	6.2	218		
212	Pro. Par. Ind.	68	6	1.3	6.2	218		
213	Pro. Par. Ind.	68	6	1.3	6.2	218		
214	Pro. Par. Ind.	68	6	1.3	6.2	218		
215	Pro. Par. Ind.	68	6	1.3	6.2	218		
216	Pro. Par. Ind.	68	6	1.3	6.2	218		
217	Pro. Par. Ind.	68	6	1.3	6.2	218		
218	Pro. Par. Ind.	68	6	1.3	6.2	218		
219	Pro. Par. Ind.	68	6	1.3	6.2	218		
220	Pro. Par. Ind.	68	6	1.3	6.2	218		
221	Pro. Par. Ind.	68	6	1.3	6.2	218		
222	Pro. Par. Ind.	68	6	1.3	6.2	218		
223	Pro. Par. Ind.	68	6	1.3	6.2	218		
224	Pro. Par. Ind.	68	6	1.3	6.2	218		
225	Pro. Par. Ind.	68	6	1.3	6.2	218		
226	Pro. Par. Ind.	68	6	1.3	6.2	218		
227	Pro. Par. Ind.	68	6	1.3	6.2	218		
228	Pro. Par. Ind.	68	6	1.3	6.2	218		
229	Pro. Par. Ind.	68	6	1.3	6.2	218		
230	Pro. Par. Ind.	68	6	1.3	6.2	218		
231	Pro. Par. Ind.	68	6	1.3	6.2	218		
232	Pro. Par. Ind.	68	6	1.3	6.2	218		
233	Pro. Par. Ind.	68	6	1.3	6.2	218		
234	Pro. Par. Ind.	68	6	1.3	6.2	218		
235	Pro. Par. Ind.	68	6	1.3	6.2	218		
236	Pro. Par. Ind.	68	6	1.3	6.2	218		
237	Pro. Par. Ind.	68	6	1.3	6.2	218		
238	Pro. Par. Ind.	68	6	1.3	6.2	218		
239	Pro. Par. Ind.	68	6	1.3	6.2	218		
240	Pro. Par. Ind.	68	6	1.3	6.2	218		
241	Pro. Par. Ind.	68	6	1.3	6.2	218		
242	Pro. Par. Ind.	68	6	1.3	6.2	218		
243	Pro. Par. Ind.	68	6	1.3	6.2	218		
244	Pro. Par. Ind.	68	6	1.3	6.2	218		
245	Pro. Par. Ind.	68	6	1.3	6.2	218		
246	Pro. Par. Ind.	68	6	1.3	6.2	218		
247	Pro. Par. Ind.	68	6	1.3	6.2	218		
248	Pro. Par. Ind.	68	6	1.3	6.2	218		
249	Pro. Par. Ind.	68	6	1.3	6.2	218		
250	Pro. Par. Ind.	68	6	1.3	6.2	218		
251	Pro. Par. Ind.	68	6	1.3	6.2	218		
252	Pro. Par. Ind.	68	6	1.3	6.2	218		
253	Pro. Par. Ind.	68	6	1.3	6.2	218		
254	Pro. Par. Ind.	68	6	1.3	6.2	218		
255	Pro. Par. Ind.	68	6	1.3	6.2	218		
256	Pro. Par. Ind.	68	6	1.3	6.2	218		
257	Pro. Par. Ind.	68	6	1.3	6.2	218		
258	Pro. Par. Ind.	68	6	1.3	6.2	218		
259	Pro. Par. Ind.	68	6	1.3	6.2	218		
260								

INV. TRUSTS—Continued

Lot	Stock	Price	+/-	Div	Yld	P/E
46	Chadler Inc.	121	-1	2.15	11	6.22
47	Chadler Inc.	121	-1	2.15	11	6.22
48	Chadler Inc.	121	-1	2.15	11	6.22
49	Chadler Inc.	121	-1	2.15	11	6.22
50	Chadler Inc.	121	-1	2.15	11	6.22
51	Chadler Inc.	121	-1	2.15	11	6.22
52	Chadler Inc.	121	-1	2.15	11	6.22
53	Chadler Inc.	121	-1	2.15	11	6.22
54	Chadler Inc.	121	-1	2.15	11	6.22
55	Chadler Inc.	121	-1	2.15	11	6.22
56	Chadler Inc.	121	-1	2.15	11	6.22
57	Chadler Inc.	121	-1	2.15	11	6.22
58	Chadler Inc.	121	-1	2.15	11	6.22
59	Chadler Inc.	121	-1	2.15	11	6.22
60	Chadler Inc.	121	-1	2.15	11	6.22
61	Chadler Inc.	121	-1	2.15	11	6.22
62	Chadler Inc.	121	-1	2.15	11	6.22
63	Chadler Inc.	121	-1	2.15	11	6.22
64	Chadler Inc.	121	-1	2.15	11	6.22
65	Chadler Inc.	121	-1	2.15	11	6.22
66	Chadler Inc.	121	-1	2.15	11	6.22
67	Chadler Inc.	121	-1	2.15	11	6.22
68	Chadler Inc.	121	-1	2.15	11	6.22
69	Chadler Inc.	121	-1	2.15	11	6.22
70	Chadler Inc.	121	-1	2.15	11	6.22
71	Chadler Inc.	121	-1	2.15	11	6.22
72	Chadler Inc.	121	-1	2.15	11	6.22
73	Chadler Inc.	121	-1	2.15	11	6.22
74	Chadler Inc.	121	-1	2.15	11	6.22
75	Chadler Inc.	121	-1	2.15	11	6.22
76	Chadler Inc.	121	-1	2.15	11	6.22
77	Chadler Inc.	121	-1	2.15	11	6.22
78	Chadler Inc.	121	-1	2.15	11	6.22
79	Chadler Inc.	121	-1	2.15	11	6.22
80	Chadler Inc.	121	-1	2.15	11	6.22
81	Chadler Inc.	121	-1	2.15	11	6.22
82	Chadler Inc.	121	-1	2.15	11	6.22
83	Chadler Inc.	121	-1	2.15	11	6.22
84	Chadler Inc.	121	-1	2.15	11	6.22
85	Chadler Inc.	121	-1	2.15	11	6.22
86	Chadler Inc.	121	-1	2.15	11	6.22
87	Chadler Inc.	121	-1	2.15	11	6.22
88	Chadler Inc.	121	-1	2.15	11	6.22
89	Chadler Inc.	121	-1	2.15	11	6.22
90	Chadler Inc.	121	-1	2.15	11	6.22
91	Chadler Inc.	121	-1	2.15	11	6.22
92	Chadler Inc.	121	-1	2.15	11	6.22
93	Chadler Inc.	121	-1	2.15	11	6.22
94	Chadler Inc.	121	-1	2.15	11	6.22
95	Chadler Inc.	121	-1	2.15	11	6.22
96	Chadler Inc.	121	-1	2.15	11	6.22
97	Chadler Inc.	121	-1	2.15	11	6.22
98	Chadler Inc.	121	-1	2.15	11	6.22
99	Chadler Inc.	121	-1	2.15	11	6.22
100	Chadler Inc.	121	-1	2.15	11	6.22

FINANCE, LAND—Continued[illegible]

a fully integrated banking service

DAIWA BANK

Head Office: Osaka, Japan

MINES—Continued

[illegible]

TINS
Amal, Nigeria..... 29 -1 251

[illegible]

COPPER
Messina R0.50 _____ 88 [-2 | ±Q30

MISCELLANEOUS						
9	Burma Mines 177	9	—	—	—	—
58	Colby Mines 97	80	—	—	—	—
225	Cons. Murch. 10c	250	—	Q30c	φ	±
250	Norridge 31	260	+5	—	—	—
170	R.T.Z.	170	+3	18.5	q31	7.6
28	Sabara Iod. CSI	37	+1	—	—	—
800	Taro Expn. 51	830	+10	—	—	—
39	Tekedy Minerals 10p	45	—	1.21	2.5	1
122	Yukon Cons. CSI	127	—	q7c	φ	3.3

NOTES

as otherwise indicated, prices and per dividends are in dollars and denominated in U.S. dollars. Estimated price earnings ratios and covers are based on latest annual reports and accounts where possible, are updated on half-yearly figures. P/E's are calculated on the basis of net distribution; bracketed figures denote 10 per cent, or more difference if calculated on "all-in" distribution. Covers are based on "maximum" distributions, calculated on the basis of the maximum of the ratio of E/P to 10 per cent, and allow for value of declared distributions and dividends. Securities with denominations other than sterling are included inclusive of the investment dollar premium.

denominated securities which include a premium.

Stamp Stock.
Rights and Losses marked thus have been adjusted to allow
for rights issues for one or more years.
Interim since reduced, passed or resumed.
Tax-free to non-residents on application.
Figures or report awaited.
Unlisted security.
Price at time of suspension.
Indicated dividend after pending scrip and/or rights issues
over relates to previous dividend or forecast.
of Stamp Duty.

erim: reduced final and/or reduced

[illegible]

Issues" and "Rights" P

service is available to every Company dealt in on the London Stock Exchange throughout the United Kingdom for a fee of £400 per annum for each security.

1995, p. 124).

REGIONAL MARKETS

following is a selection of London quotations of shares
tously listed only in regional markets. Prices of Irish
s, most of which are not officially listed in London,
as quoted on the Irish exchange.

any inv. 20p	43	-----	Sheff. Reinsmt.	50	-----
Somping...	25	-----	Shiloh Snnm.	19	-----

17	Sindall (Wm.)
275	-3	
22	

RUSH	
and Rose E.I.	400
on (R.A.)	37
and McHenry	63
as Frk Top.	160
.....	-1
.....	-2
.....	47
.....	18
.....	240
.....	33
.....	37
.....	245
.....	64
.....	130
.....	17
.....	47
.....	197
.....	325
.....	100
.....	84
.....	125
.....	152
.....	220
.....	60
.....	28
.....	175
.....	170

OPTIONS :

OPTIONS

month Call Rates

3-month Call Rates			
30	25	25	30
61	20	20	75
62	20	20	75
63	20	20	75
64	20	20	75
65	20	20	75
66	20	20	75
67	20	20	75
68	20	20	75
69	20	20	75
70	20	20	75
71	20	20	75
72	20	20	75
73	20	20	75
74	20	20	75
75	20	20	75
76	20	20	75
77	20	20	75
78	20	20	75
79	20	20	75
80	20	20	75
81	20	20	75
82	20	20	75
83	20	20	75
84	20	20	75
85	20	20	75
86	20	20	75
87	20	20	75
88	20	20	75
89	20	20	75
90	20	20	75
91	20	20	75
92	20	20	75
93	20	20	75
94	20	20	75
95	20	20	75
96	20	20	75
97	20	20	75
98	20	20	75
99	20	20	75
100	20	20	75

A selection of Options traded is given on the

INSURANCE

[illegible]

1112	Ests. & Gen. Exp.	1812	-12	0.81	0.9	6
3512	Ests. Prop. Inv.	84	---	1.61	2.5	1
322	Ests. Loads	84	-1	1.16	2.4	2

[illegible]

18	Do. Cap. Sup.	32	-2	—	—
03	Argo Inv. (\$31)	112	—	25.89	φ
04	Asndown Inv.	112ml	-2	4.04	φ

African Bank, Inc.	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51
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- Finance, Land, etc.

18	Alroy's Sports Shop	235	6	20.9	4.7	7.9	2.5
19	Art's 100	311	1	—	—	—	—
20	Art's 100	311	1	—	—	—	—
21	Art's 100	311	1	—	—	—	—
22	Art's 100	311	1	—	—	—	—
23	Art's 100	311	1	—	—	—	—
24	Art's 100	311	1	—	—	—	—
25	Art's 100	311	1	—	—	—	—
26	Art's 100	311	1	—	—	—	—
27	Art's 100	311	1	—	—	—	—
28	Art's 100	311	1	—	—	—	—
29	Art's 100	311	1	—	—	—	—
30	Art's 100	311	1	—	—	—	—
31	Art's 100	311	1	—	—	—	—
32	Art's 100	311	1	—	—	—	—
33	Art's 100	311	1	—	—	—	—
34	Art's 100	311	1	—	—	—	—
35	Art's 100	311	1	—	—	—	—
36	Art's 100	311	1	—	—	—	—
37	Art's 100	311	1	—	—	—	—
38	Art's 100	311	1	—	—	—	—
39	Art's 100	311	1	—	—	—	—
40	Art's 100	311	1	—	—	—	—
41	Art's 100	311	1	—	—	—	—
42	Art's 100	311	1	—	—	—	—
43	Art's 100	311	1	—	—	—	—
44	Art's 100	311	1	—	—	—	—
45	Art's 100	311	1	—	—	—	—
46	Art's 100	311	1	—	—	—	—
47	Art's 100	311	1	—	—	—	—
48	Art's 100	311	1	—	—	—	—
49	Art's 100	311	1	—	—	—	—
50	Art's 100	311	1	—	—	—	—
51	Art's 100	311	1	—	—	—	—
52	Art's 100	311	1	—	—	—	—
53	Art's 100	311	1	—	—	—	—
54	Art's 100	311	1	—	—	—	—
55	Art's 100	311	1	—	—	—	—
56	Art's 100	311	1	—	—	—	—
57	Art's 100	311	1	—	—	—	—
58	Art's 100	311	1	—	—	—	—
59	Art's 100	311	1	—	—	—	—
60	Art's 100	311	1	—	—	—	—
61	Art's 100	311	1	—	—	—	—
62	Art's 100	311	1	—	—	—	—
63	Art's 100	311	1	—	—	—	—
64	Art's 100	311	1	—	—	—	—
65	Art's 100	311	1	—	—	—	—
66	Art's 100	311	1	—	—	—	—
67	Art's 100	311	1	—	—	—	—
68	Art's 100	311	1	—	—	—	—
69	Art's 100	311	1	—	—	—	—
70	Art's 100	311	1	—	—	—	—
71	Art's 100	311	1	—	—	—	—
72	Art's 100	311	1	—	—	—	—
73	Art's 100	311	1	—	—	—	—
74	Art's 100	311	1	—	—	—	—
75	Art's 100	311	1	—	—	—	—
76	Art's 100	311	1	—	—	—	—
77	Art's 100	311	1	—	—	—	—
78	Art's 100	311	1	—	—	—	—
79	Art's 100	311	1	—	—	—	—
80	Art's 100	311	1	—	—	—	—
81	Art's 100	311	1	—	—	—	—
82	Art's 100	311	1	—	—	—	—
83	Art's 100	311	1	—	—	—	—

370	Ang. Am. Coal 50c..	450	1040c	43	5
105	Anglo Amer. 10c..	266	4033-	20	2

[illegible]

OPTIONS :

OPTIONS

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FINANCIAL TIMES

Saturday February 4 1978

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MAN OF THE WEEK

Change of style in Brussels

BY GUY DE JONQUIERES

IN THE institutional hierarchy of the EEC, the Council of Foreign Ministers is theoretically the senior decision-making body. But most agricultural ministers have no doubts that it is they who, in practice, exercise the real power. With clearly defined responsibilities under the Treaty of Rome, undisputed control over more than two-thirds of the community budget (worth about \$8bn this year) and solid political backing among the farmers at home, they have long formed one of Europe's most exclusive and influential clubs.

Or so it was until about 18 months ago when the bulky figure of John Silkin burst upon the Brussels scene, replacing the amiable Fred Peart as Britain's Minister of Agriculture. An unabashed anti-marketeer, Silkin exhibited a polite disdain from the outset towards the club's secrets, rituals and made no secret of his indifference towards winning popularity among other members, and his attitude towards the house rules was that if they didn't suit Britain's interests, they should be changed. In short, he was about as much at home as an all-in wrestler in the reading room of the Athenaeum.



JOHN SILKIN

An ability to remain outwardly calm when the going gets rough.

But Silkin has undeniably won the grudging respect of fellow EEC ministers as a heavyweight politician who gets results. Though his chairmanship of the Agriculture Council in the first half of last year was bitterly criticised, it helped to secure one of the smallest EEC farm price rises in recent history. Even his adversaries concede that the interests of the producers are never again likely to command the overwhelming priority in future agricultural price reviews.

One of Silkin's tactical strengths is his ability to remain outwardly calm when the going gets rough. His arguments, constructed with the clarity of a well-written legal brief, are presented in measured tones. Faced with opposition, he repeats them with the elaborate tolerance of a schoolteacher attempting to explain a principle of elementary arithmetic to a class of particularly uncomprehending pupils. Despite his bulky reputation, he is not given to brow-beating. He is also keenly aware of the importance of maintaining good relations with the Brussels Press, unlike some other British ministers, his temper has rarely shown signs of fraying when events were running against him.

But Silkin's imperturbability also clearly ranks with his critics, who detect in it a patronising touch. "There is no doubt that he is one of the cleverest Ministers around the table," says one regular observer of his performance in Brussels. "But it may not be very polite to show quite so clearly that he knows it. He is so determined to prove that he is not a member of the club that he sometimes carries his intransigence to the point where there is no compromise possible, only confrontation."

Such criticism is unlikely to ruffle Silkin's composure or to alter his tactics much. He appears convinced that, in domestic political terms, the best approach is to present his achievements in Brussels as triumphs wrested from the reluctant hands of a hostile EEC, rather than agreements reached through skillful negotiation.

So far, he could claim with some justification that his approach has paid off in terms of the results obtained. His stand on fisheries has won him the applause of British fishermen, and despite warnings that his uncompromising attitude will run off adversely on Britain's interests in other areas of the EEC, it has yet to be demonstrated that any lasting damage has been done.

Silkin has not so far had to suffer the consequences of a serious setback; he was even able to turn the Government's recent defeat over the size of the green pound valuation to short-term advantage. Perhaps the full measure of his performance cannot be judged until it is possible to see how he would deal with the prospect of a serious political failure in Brussels.

Tax victory for divers

BY KEVIN DONE

THE GOVERNMENT is to take the unprecedented step of changing the tax laws in favour of North Sea divers to safeguard the speedy development of Britain's offshore oil.

North Sea divers have campaigned for nearly a year to regain the self-employed status they lost in April.

They had appeared to be fighting an uphill battle because the Inland Revenue maintained that under existing law all divers must be treated as employees and therefore liable to pay tax under pay-as-you-earn.

But now the Government is to legislate for this one particular group of workers and transfer them from one tax schedule to another.

Mr. Robert Sheldon, Financial Secretary, said yesterday in a written Commons answer that Mr. Denis Healey, Chancellor, would introduce legislation in the coming Finance Bill to provide that "earnings from diving

operations in connection with exploration or exploitation activities in the U.K. Continental shelf" would be assessable under Schedule D rather than Schedule E. The change would take effect from 1978-79.

Under existing law, divers had to be treated as employees. "Nevertheless, after a careful examination of their particular circumstances, I recognise that there are certain distinctive features about their work, such as the danger it entails, their vulnerability to long-term health hazards, the exceptional travelling difficulties and the shortness of their working life."

It was on account of these and other factors that the law would be changed.

It is known that the Energy Department has supported the divers' case. It has pointed out that the safety of North Sea operations was being seriously jeopardised by the mass exodus of as many as 250 of the most experienced divers from a total workforce of only about 1,500.

They have moved to other offshore areas around the world, such as Brazil, where they could earn considerably more. In the North Sea they have been replaced largely by trainees and foreign divers.

New stability

The Department also was concerned that the newly-established U.K. diving industry would disintegrate as companies moved their operations abroad.

The Association of Offshore Diving Contractors said: "The decision could bring back senior British divers and the industry must now enjoy far greater stability than it has for the last 12 months."

The North Sea Divers' action group said that the Treasury move was a complete vindication of its campaign.

It is clear that the Treasury has searched for alternatives so as not to create a precedent with the divers. The Inland Revenue looked in vain for test cases to overcome the problem caused by its previous ruling that the divers were liable to PAYE. No case had sufficient grounds for appeal.

The implementation last April of PAYE for the 50 to 60 per cent of divers previously classified as self-employed hit earnings hard.

Some of the best divers earn as much as £20,000 a year gross, although average earnings are nearer £10,000.

Previously—and now again in April—they could claim for expenses such as travel, telephone and equipment and could employ their wives as secretaries, so there was little outlay in tax.

Many divers claimed that earnings fell by as much as 50 per cent, because of the change of tax status.

Engineering industry pay talks end in deadlock

BY ALAN PIKE, LABOUR CORRESPONDENT

TALKS on a new national pay agreement in the engineering industry ended without a settlement yesterday, and with no plans for further talks.

Although negotiations on both sides said afterwards that they would like a national agreement to continue, the failure of yesterday's discussions increases the prospects of pay and conditions in the industry now being determined entirely by plant-level bargaining.

The Engineering Employers' Federation, which previously offered to increase the minimum weekly rate for craftsmen from £42 to £52, yesterday made an improved offer of £57.

Confederation of Shipbuilding and Engineering Unions negotiators, who were claiming a new skilled rate of £70, offered to recommend their members to settle if the employers would move to £60, but this was rejected.

Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers and leader of the union side, said that the

offer was "still totally unacceptable."

The unions had done their best to conclude a new national agreement and it was regrettable in the extreme that it had proved impossible for the sake of £3 on national rates, which would mean nothing in direct pay increases for many engineering workers.

The union side was beginning to lose confidence in the value of national negotiations.

Yesterday's improved offer from the employers would have added about 4.5 per cent to the national pay bill, compared with 5 per cent, if the union side's proposal for £60 a week skilled rates had been accepted, and 7.9 per cent under the original claim.

Mr. Astley Whittall, president of the Engineering Employers' Federation, said that the employers' offer was already greater than most of the federal wage and are used in the calculation of overtime and shift pay, and as a basis for incentive schemes.

as much as possible of the 10 per cent permitted under the pay guidelines should be retained for allocation at plant level.

The failure of yesterday's negotiations will be reported by Mr. Scanlon to the confederation executive when it meets in York next week.

Union leaders have not threatened industrial action to improve the employers' offer, but the AUEW national committee can be expected to discuss this when it is recalled within the next few weeks.

Engineering industry pay is now determined on a two-tier structure. If there is no new move from either side and the national agreement disappears, not only will all pay bargaining take place locally, but the industry will be deprived of a common agreement on conditions of employment.

The nationally agreed rates form the industry's minimum wage and are used in the calculation of overtime and shift pay, and as a basis for incentive schemes.

Suppliers of tarmac reveal 60 pacts

By Elinor Goodman, Consumer Affairs Correspondent

MAJOR suppliers of tarmac have provided the Office of Fair Trading with details of 60 price-fixing agreements which they have been operating in apparent breach of the law.

The agreements submitted so far are believed to be only the tip of the iceberg. The number of unregistered agreements is believed to far exceed any which have come to light in other industries.

The parties to the pacts could find themselves being sued for breach of contract by their customers of the agreements are found to breach the law, said the local authorities which, given their responsibility for public funds, may well be embarrassed by the revelation about the way tar companies apparently have got together to fix prices.

Under the restrictive practice legislation, it is unlawful for competitors to agree terms of trade among each other without first registering the agreements with the Office of Fair Trading. Failure to register means that the pacts automatically are void.

The existence of the cartels among tar producers was brought to light last year when a man helping with an investigation about the construction of a new motorway made a statement to the Office of Fair Trading alleging that at least half a dozen suppliers of blacktop were getting together to allocate contracts among themselves.

So far, the companies have submitted details to the North East, but it is expected eventually that the number of pacts on blacktop will dwarf the 133 previously unregistered agreements so far uncovered in the concrete industry.

The companies served with a notice are: Tarmac Roadstone Holdings; Wulverhampton Scientific Roads (Northern); Shipley, Yorks; Tilling Construction Services, Knaresborough, Yorks; Thomas W. Ward (Roadstone), Sheffield; Constable Hart, Richmond, Surrey; Clugston Asphalt, Southend, Essex; and three companies, Steelphalt, Eccles Slag and J. G. Eccles, linked to Slag Reduction Holdings, London.

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As a result of the strictures about 5,000 EPTU members went on strike, mainly in the North and North-West.

This week, the EPTU's executive instructed many of these men to return to work, but it made official a number of disputes.

Three companies with national coverage are mainly involved: Holliday Hall, Lilliker Brothers, based in Sheffield; and Hayden Young, based in London.

Mr. Clive Jenkins, ASTMS general secretary, yesterday promised that his union which represents a minority of Sun Alliance employees, would also take legal action if the Trade Department succeeded in forcing the company to scrap the pay agreement.

and the power workers. Sterling was hit by an early bout of selling pressure which led to a sharp decline. The pressure was reflected in the rate against the dollar, but the main movement appeared to be out of the pound, along with the French franc, into the strong Swiss currency.

The low point for the pound was reached quite early in the morning, at 1.9325, a decline of 1.7 pence from the previous day's close.

The rate recovered in the afternoon in dealings

Lloyd's insurers 'face lean times'

By Nicholas Colchester

LLOYD'S underwriters face a lean year, with some syndicates likely to run into losses in the near future, a Lloyd's committee member forecast yesterday.

"A lot of sound underwriting is going on, and has been for the past 12 months," Mr. Robert Killa, chairman of Killa Agencies, told a symposium on the City organised by International Computers.

Behind the problem was the growth which had lifted Lloyd's premium income from £700m. in 1970 to around £2bn. today. This growth, along with the fact that since the bad year of 1974 there had been a singular lack of major disasters, had engendered a false sense of "euphoria."

"The results are going against us in underwriting," he said, and claimed that 1977-78 would "test" Lloyd's profitability. International competition was intensifying and it would be "interesting to see who best survives the next three years."

An additional problem was an increasing tendency towards nationalism in the insurance market. A growing number of countries, particularly in the third world, felt that they should arrange their insurance internally rather than paying premiums into the international insurance market.

Top Stock Exchange team to visit U.S.

BY MARGARET REID

MR. ROBERT FELL, chief executive of the Stock Exchange, and Mr. David LeRoy-Lewis, a former deputy chairman of the Exchange, are to visit the U.S. later this month to study regulatory procedures in the American stock markets.

The trip is of particular interest in view of the expected launch shortly of the City's new wide-ranging voluntary supervision body, the Council for the Securities Industry, and of further evidence to be given by the City Board Options Exchange and other American traded options markets.

The mission, which will go to the U.S. on February 20 for two weeks or so, will look closely at the system of supervising the Chicago Board Options Exchange and other American traded options markets.

This examination will be highly relevant to working out the method of oversight of the planned new traded share options market which it is hoped will start in London in April, under Stock Exchange auspices, coinciding with the launch of the European Options Exchange in Amsterdam.

Both the Stock Exchange Council, chaired by Mr. Nicholas Goodison, and the Government are anxious that a fully adequate system of control to guard against any malpractice should be set up before options trading begins in earnest.

Mr. LeRoy-Lewis is a prominent figure in the business of the

Exchange as chairman of the large jobbers Akroyd and Smithers, as well as in its government as a Council member. Mr. Fell has been chief executive since 1975.

Another topic of key importance on the agenda of the two men is a study of the system of commissions—and particularly of negotiated commissions—in certain circumstances—on share deals in the U.S. markets.

This is relevant to the scrutiny of the Stock Exchange system of commissions by the Office of Fair Trading as a preliminary to its eventual consideration—as a restrictive trade agreement—by the Restrictive Practices Court.

Mr. Goodison confirmed in London that it cannot make payments in lieu of bonus to those electricians unable to benefit from proposed bonus schemes.

Since then, the Department has allowed a quarter of the payment, on the basis that that would still leave the deal within the 10 per cent guideline.

The association is still protesting, and the department has not finally approved the deal.

The in-lieu payment is worth 22p an hour for an approved

electrician, or over £11 for a typical week of 81 hours.

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Closure of Poseidon mine may end saga

BY KENNETH MARSTON, MINING EDITOR

WHAT COULD be the final chapter in the Poseidon nickel exploration saga came yesterday with the news that, because of the depressed market for nickel, the Australian mine the company found in 1969 is to be closed.

The Windarra property is now jointly owned by Shell Australia and Western Mining. Western Mining said yesterday that the open-cut operations would be suspended this month and underground production halted by about the end of June. Nickel output has been running at about 13,000 tonnes a year.

Exploration and underground development work is to continue in preparation for a hoped-for resumption of production when

nickel market conditions improve. The workforce will be reduced from about 350 to 100 by normal wastage and the transfer of employees to other operations, every effort being made to avoid compulsory redundancies.

During the wild share trading days of 1969-70, shares of Poseidon rocketed from a few shillings to a peak of £124, valuing the company at £317m. To-day Poseidon is in liquidation and it is doubtful whether the shares have any value.

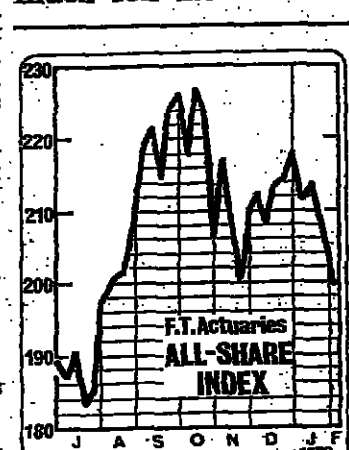
Ironically, Poseidon was one of the very few companies to have made a worthwhile find during the boom, but many of the other contenders still remain in being, albeit on a very low key basis.

Mining, Page 2

THE LEX COLUMN

Bears gain the upper hand

Index fell 1.8 to 458.7



Both the equity and gilt-edged markets closed at their lowest levels of the year last night. The F.T. 30-Share Index has lost 18.5 points in the last week and almost 39 points in a fortnight, during which it has declined on eight out of ten trading days.

The F.T. Government Securities Index has lost nearly 2 per cent on the week, and has now shown net declines for five weeks in a row.

Two factors have assumed importance in the depressed conditions of the past few days. For equities, the chartists have at last been able to trumpet a united message, and it is bearish. In gilts, meanwhile, those close to the market have become aware that some of the foreigners who built up big speculative positions last year have now begun to take their profits on a large scale.

Foreign sales

For many months the overhang of foreign held gilts has been a source of potential danger. Overseas buyers bought heavily in the early part of 1977 and again in the third quarter, while prices were racing to the peak reached on September 30. Although the Government Securities Index is now over 6 per cent below that high point, most foreigners will have bought at significantly lower prices, and in any case the potential for currency gains was a major factor in their thinking.

Since September sterling has risen by 10 per cent, against the dollar. But it has run out of steam since the New Year, and this week's newspaper headlines about labour troubles with the power workers and the miners seem to have been enough to persuade some of the overseas investors to take part of their profits. Their views are not generally shared by domestic investors, however.

U.K. insurance companies, taking a more sanguine view of the wages outlook, were buying steadily yesterday as prices of long-dated gilts slipped a point or more.

Although the U.K. institutions are keeping a wary eye on progress on the wages front, money supply problems are as usual at the forefront of their thinking. The market has never recovered from the shock of finding that the money supply had not been brought as firmly under control by December as expected, and the clumsy action of the authorities in launching

in November, but the more broadly based All-Share Index has dipped even below its corresponding level, and is at its lowest point for almost a month.

Technical Analyst David Fuller of Chart Analysis set out a strongly bearish recommendation this week. Richard Lake of brokers Greaves Grant sees confirmation of bearish phase stretching down to maybe 400 on the 30-Share Index, while the "Copper" weighted moving average indicator, as plotted by Ray Kell of Capel-Cure Myers, this week threw up a sell signal, the first since the indicator turned bullish last April.

There is no magic about these interpretations, which really only add up to saying that market which has failed to test its highs for three months or more is likely to be changing its trend. In fundamental terms the stock market has already discounted the major improvements in the balance of payments, sterling, inflation and some extent the upturn in economic activity. Now it is peering further forward into a period when interest rates may be rising rather than falling when there will be electoral pressures on the Government to relax monetary policy, and when the worst trade background is decidedly murky.

At the start of the year, it looked as though there might be a breathing space before the normally bearish impact of an economic upturn began to effect the stock market. As usual, events are developing more quickly than most people had expected. There is a positive side to this, however, for once the current adjustment has taken place the second part of the year will not hold such dangers. There is, after all, more fundamental value in long gilts, yielding well over the inflation rate, than for a long time.

Chart watchers

Of course, favourable figures would have quite the opposite impact, the City analysts are unusually uncertain about the underlying monetary trend over the Christmas / New Year period. But even good figures would leave open the possibility that the authorities could take the opportunity to sell stock into a strong market (perhaps issuing a new short tap as well) rather than let prices recover.

What does this mean for equities? Followers of the charts this week noted that the FT 30-Share Index crashed decisively through an important support level at 470 on Thursday, and in closing around 90 points below last September's all-time peak it has traced out something close to a dreaded head and shoulders formation. This index is still a fraction above the autumn low reached

At long last Graft Diamonds has come up with an offer which stands a chance of success. The obstinate minority is now offered the equivalent of 70p, which compares with the preceding 50p bid, the 28p paid to most shareholders last year, and the 57p at which the company was floated in 1974. There is an attempt to squeeze shareholders by making the extra 20p conditional on 90 per cent acceptance—but curiously there is still no final closing date.

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Weather

U.K. TODAY
MANY places will start cloudy with rain, but brighter weather with scattered showers will spread eastwards. Showers will be mostly confined to the W. London, S.E. England, E. Anglia, E. Midlands, Channel.

Periods of rain, becoming dry.
Max. 7-11C (45-52F).
W. Midlands, S.W. England, S. Wales.

Periods of rain. Scattered showers later. Max. 8-10C (46-50F).
N. Wales, N.W. England, Lakes, S.W. Scotland, Glasgow, Central Highlands, N.W. Scotland.

Rain, scattered showers later. Max. 6-9C (43-48F).
Lothian, Argyll, N. Ireland.

Sunny intervals, occasional showers. Mild. Max. 7 or 8C (45 or 46F).

Outlook: Mostly dry at first with sunny intervals, but over night fog patches in the south and some showers in the north.

Cairo		5	31	Beijing		30	32
Chengdu	G	-14	34	Rio de J.		36	36
Columbo		1	34	Rome		29	32
Copenhagen	Su	1	34	Singapore		11	33
Dublin	R	5	31	Stockholm	Su	-2	28
Edinburgh	F	3	37	Strasbourg		3	37
Frankfurt	F	3	37	Sydney		33	34
Geneva	C	2	36	Tel Aviv		5	63
Glasgow	C	-7	18	Tokyo		5	42
Helsinki	C	5	35	Toronto		5	4
H.K. Kong	S	28	39	Vienna	C	-4	26
Johns	F	15	35	Warsaw		0	23
Lisbon	C	6	43	Zurich	Su	-1	23
London							